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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN**

DANA NESSEL, Attorney General of the
State of Michigan, *ex rel.* THE PEOPLE OF
THE STATE OF MICHIGAN,

Plaintiff,

CASE NO.

COMPLAINT

JURY TRIAL DEMANDED

ROKU, INC.,

Defendant.

Attorney General Dana Nessel, on behalf of The People of the State of Michigan, alleges as follows:

INTRODUCTION

1. Roku has quietly embedded itself in American life. Roku is the number one television content platform in the United States, used by nearly half of American households. It delivers streaming services, ad-supported programming, and live television to millions of Michigan homes. Roku uses this privileged position in American life to collect and monetize an immense amount of data and personal information about its users.

2. Many of those users are children. Roku attracts children to its platform with a seemingly endless supply of children's programming. Children watch Roku's programming from their household televisions or, in many cases, from a personal tablet or mobile device. Despite public assurances to the contrary, Roku systematically collects and processes, and allows third parties to collect and process, children's personal information—including their voice recordings, location data, IP addresses, and browsing histories.

3. Roku has designed its platform to ensure that it collects children’s data and that third parties can do the same. Unlike its competitors, Roku does not offer parents the option to create children’s profiles. This ensures that parents and children browse the same Roku platform and are subject to the same invasive data collection practices on many parts of the platform. Moreover, Roku permits third parties to collect and monetize the personal information of children through its platform. Roku’s lax data privacy standards attract children’s content providers, drive traffic to the Roku platform, and increase Roku’s advertising revenue. Finally, Roku enhances this collection and monetization of children’s personal information through partnerships with third-party web trackers and data brokers. These partners include multiple data brokers who have been sued by the FTC for using mobile devices to systematically track individuals’ precise locations throughout the day.

4. The Children’s Online Privacy Protection Act (COPPA), 15 U.S.C. § 6501 *et seq.*, requires Roku to provide notice to parents regarding the data it collects from children and to obtain

1 parental consent before collecting that data.¹ Yet Roku systematically collects personal information
 2 from children without providing this required notice or obtaining parental consent. COPPA also
 3 places strict limits on Roku's collection of children's voice data—limits Roku ignores. At the same
 4 time, in public statements and privacy disclosures, Roku actively misleads parents about its
 5 collection of their children's personal information, and it sows confusion about parents' rights to
 6 protect their children's personal information.

7 5. Roku's misconduct extends beyond child users. Roku discloses to third parties the
 8 video content its users watch along with those users' personally identifiable information, violating
 9 longstanding state and federal laws designed to ensure the privacy of this information. Roku also
 10 offers its users the ability to enable privacy settings that do not have the effect described by the
 11 settings, giving users false comfort that their privacy is being protected.

12 6. Attorney General Dana Nessel brings this action to put a stop to Roku's illegal data
 13 collection and disclosure practices, to require Roku to comply with federal and state law, and to
 14 recover damages, restitution, and civil penalties for Roku's years of misconduct.

PLAINTIFF

16 7. Plaintiff is Attorney General Dana Nessel, on behalf of The People of the State of
 17 Michigan.

18 8. Attorney General Nessel maintains her principal office at 525 W. Ottawa Street,
 19 Lansing, Michigan 48933.

DEFENDANT

21 9. Defendant Roku, Inc., is a Delaware corporation headquartered in San Jose,
 22 California.

25 1 COPPA makes it “unlawful for an operator of a website or online service directed to children, or any operator that has
 26 actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a
 27 manner that violates the regulations prescribed” by the FTC. 15 U.S.C. § 6502(a)(1). Consistent with this statutory
 28 direction, FTC regulations provide the specific requirements for websites and online services to comply with COPPA.
 16 C.F.R. § 312. These requirements include that an “operator” of an online service such as Roku must “[p]rovide
 notice on the Web site or online service of what information it collects from children, how it uses such information, and
 its disclosure practices for such information,” and must “[o]btain verifiable parental consent prior to any collection, use,
 and/or disclosure of personal information from children.” *Id.* § 312.3(a)-(b).

JURISDICTION

10. This Court has subject matter jurisdiction under 28 U.S.C. § 1331, 28 U.S.C. § 1367, and 15 U.S.C. § 6504.

11. This Court has personal jurisdiction over Defendant because Defendant may be found in and transacts significant business in Michigan and in this District. 15 U.S.C. § 6504. Plaintiff's claims arise out of Defendant's activities in Michigan and in this District.

12. Venue is proper in this District under 28 U.S.C. § 1391 and 15 U.S.C. § 6504.

NATURE OF THE ACTION

I. Overview of Roku's Business

13. Roku is a television content platform. It provides a single landing page from which users can access streaming services, internet content, ad-supported programming, and live television. Roku also offers its own programming through an ad-supported streaming service called “The Roku Channel,” which is available on all Roku-connected devices.

14. To access the Roku platform, users can purchase a low-cost device, such as a streaming stick, that connects to their television. Roku's platform is also increasingly built into televisions themselves through the Roku operating system (Roku OS). Roku has broadly licensed Roku OS to major television manufacturers such as RCA, Philips, Hisense, and Walmart's Onn brand. As a result, Roku OS is now the number one smart TV operating system in the United States. Any TV with the Roku operating system runs the Roku platform by default. In 2023, Roku also began selling its own smart TVs with the Roku platform built in.

15. Roku has expanded beyond televisions as well. Users with Roku accounts can access Roku content from a computer, tablet, or mobile device. And Roku now sells smart home devices such as video doorbells and home monitoring systems that users access and operate through the Roku platform.

16. Roku's multi-pronged strategy to integrate itself into the American home has been a success. As of 2023, Roku was in approximately half of American internet-connected households. Meanwhile, Roku earned approximately \$3 billion from its platform in 2023 at a nearly 50% profit

1 margin, with most of that revenue coming from advertising.² Roku's revenue continued to grow
 2 into 2024, along with its platform usage. At the start of 2024, Roku reported that streaming hours
 3 per household had grown to 4.2 hours per day.³ Few, if any, large technology companies have
 4 comparable access to the personal information of Michigan families, and few monetize that
 5 information as aggressively.

6 **II. Types of Programming Available on Roku**

7 17. By purchasing Roku-enabled hardware, users gain access to a variety of
 8 programming. First, Roku offers all of its users access to The Roku Channel—an ad-supported
 9 streaming service with a wide range of programming, including original programming and live TV.
 10 The Roku Channel is among the most popular streaming services in the United States. Its audience
 11 engagement hours are comparable to leading paid streaming services Max and Peacock. In addition
 12 to its own programming, Roku resells ad-free premium streaming subscriptions through The Roku
 13 Channel.⁴

14 18. By purchasing Roku hardware, users gain access to a wide variety of third-party
 15 content and programming sources, which Roku has variously called “channels,” “streaming
 16 channels,” or “apps.” For clarity, this complaint uses the term “channels” (or “third-party
 17 channels”) to refer to all of these sources of third-party content. Roku users can download and
 18 access channels at a variety of locations on the platform, including pages entitled “Streaming
 19 Store,” “Apps,” “What to Watch,” and “Featured Free.” Some or all of this content was also
 20 previously available in a location entitled the “Channel Store” on Roku, as well as a page entitled
 21 the “Roku Store.” For ease of reference, this complaint collectively refers to the pages where users
 22 can currently or have in the past been able to download and access channels on Roku as Roku’s
 23 “Channel Store.”

24
 25 ² Adam Levy, “People Think Roku Makes Money Selling Streaming Sticks and Smart TVs, but 86% of Its Revenue
 26 Comes From Something Else Entirely,” Nasdaq (Jan. 16, 2024), <https://www.nasdaq.com/articles/people-think-roku-makes-money-selling-streaming-sticks-and-smart-tvs-but-86-of-its-revenue>.

27 ³ Roku, Q1 2024 Shareholder Letter (Apr. 25, 2024), <https://image.roku.com/c3VwcG9ydC1B/1Q24-Shareholder-Letter-Final.pdf>.

28 ⁴ Roku 2020 SEC Form 10-K at 60 (In January 2019, Roku “launched Premium Subscriptions within The Roku Channel, through which we resell ad-free premium content subscription services from providers such as Showtime, Starz, and Epix.”).

1 19. Roku's Channel Store includes an enormous variety of channels, ranging from *Dog*
 2 *Viral Videos* to a channel that airs only *The Beverly Hillbillies*. Smaller channels typically earn
 3 revenue through ads, while larger channels may be available only with a subscription. Subscriptions
 4 may be purchased from within the Roku platform in some cases. Many Roku customers also use the
 5 platform as a landing page to access larger streaming services, such as Netflix or Disney+, for
 6 which they purchased subscriptions outside of the Roku platform.

7 20. Finally, Roku offers users the ability to rent and purchase particular video content
 8 titles as well. Roku previously operated the "Roku Movie and TV Store"—a page that, until
 9 November 2022, was present on the Roku platform Home page.⁵ Since November 2022, Roku has
 10 sold and rented movies and TV shows in partnership with Vudu, now rebranded Fandango at Home.
 11 Roku has described Vudu as its "official" movie and TV store.

12 **III. Children's Programming on Roku**

13 21. The Roku Channel offers children's programming under the label "Kids and Family
 14 on The Roku Channel." Much of the content is sourced from successful children's YouTube
 15 channels, such as *Ryan's World*, *Like Nastya*, and *CoComelon*. *Ryan's World* is the channel of child
 16 YouTube celebrity Ryan Kaji, famous for his toy unboxings, and is one of the top ten most-viewed
 17 YouTube channels in the United States. *Like Nastya* is the channel of 11-year-old Russian YouTube
 18 celebrity Anastasia Radzinskaya, whose content includes children's songs and toy unboxings. The
 19 channel is among the top ten most-viewed YouTube channels in the world. *CoComelon* is an
 20 animated program with songs and nursery rhymes targeted to children ages 1-3 years old. It is the
 21 second-most viewed YouTube channel in the world.

22 22. The Roku Channel organizes its children's content into age-specific categories that
 23 are presented to consumers: Ages 1-3 (which includes *Teletubbies*), Ages 4-6 (which includes *Baby*
 24 *Shark & More Nursery Rhymes*), Ages 7-9 (which includes *Ninja Kidz TV*), and Ages 10+ (which
 25 includes *Pokémon Quest*).

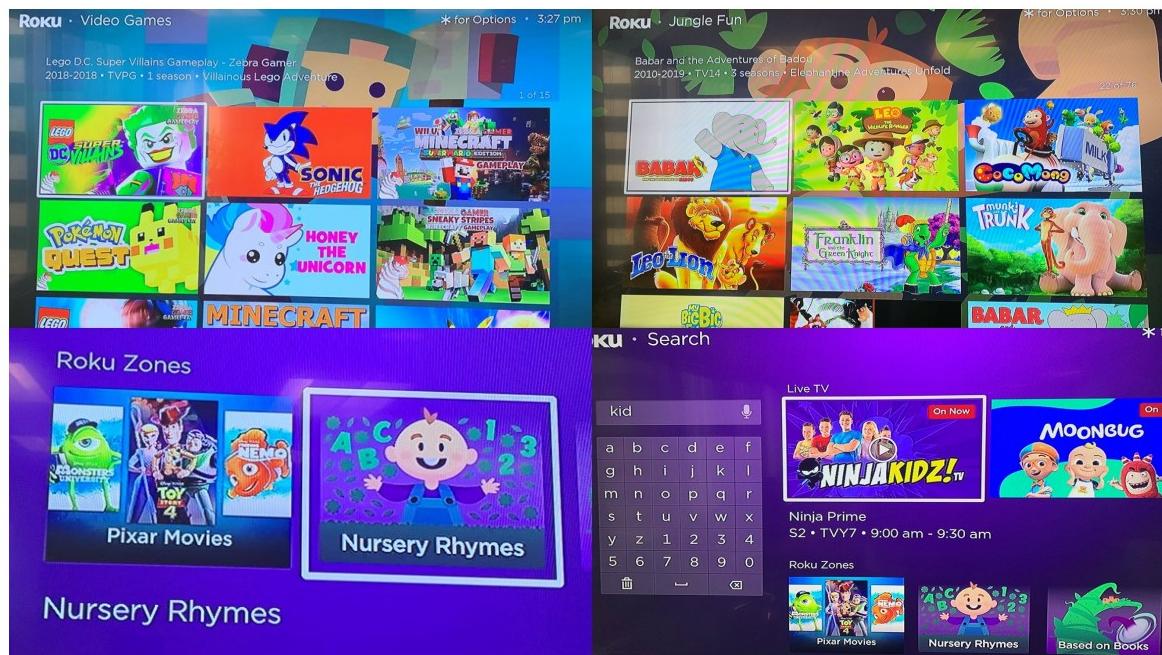
26

27

28⁵ Roku, Roku Support, "How to use the Movie Store," <https://support.roku.com/article/208756538>.

1 23. While users can access children's content on The Roku Channel by navigating to the
 2 section entitled "Kids and Family on The Roku Channel," children also frequently access this
 3 children's content from Roku's other platform pages. For instance, the Roku platform's Home page,
 4 Search page, Featured Free page, and What to Watch page all present users with direct links to
 5 children's content from Kids and Family on The Roku Channel. One way Roku organizes children's
 6 content within these platform pages is to present them in child-directed sections with titles such as
 7 "Animated Adventures" and "Popular Free Kids Movies and TV Shows."

8 24. Roku also aggregates content in sections it calls "Roku Zones." As shown below,
 9 many of these Zones are Roku-curated selections of children's programming and games, displayed
 10 on playful, animated backgrounds. Roku Zones are presented to users on Roku platform pages and
 11 also populate when users search for child-directed content. As shown on the bottom-right image
 12 below, a search for "kid" on the Roku platform results in Roku Zone suggestions including "Pixar
 13 Movies" and "Nursery Rhymes." Other child-directed Roku Zones include "Video Games" and
 14 "Jungle Fun." There are thus a variety of ways for children to access children's content available on
 15 The Roku Channel without first navigating to Kids and Family on The Roku Channel.



1 25. Roku also delivers child-directed content through a wide variety of third-party
 2 channels that offer programming and games. Many of these channels are accessible in Roku's
 3 Channel Store under the heading "Kids & Family" and include some of the same content available
 4 on The Roku Channel. This third-party content includes:

- 5 • *HappyKids Girls*, which offers "Hours of FREE, SAFE, FUN, and
 EDUCATIONAL videos for girls," and games "carefully chosen to be fun
 and safe for girls, with no bad language or scary stuff!"
- 6 • *Ninja Kidz TV* ("Aimed at kids aged 6 and up, Ninja Kidz TV delivers action-
 packed entertainment that promises to keep you on the edge of your seat.").
- 7 • *Stunt Racer*, a child-directed cartoon racing game.

8 26. As with children's content on The Roku Channel, this third-party content is also
 9 accessible from main Roku platform pages, including the Home page, Search page, Featured Free
 10 page, What to Watch page, and the Kids & Family section of the Roku Channel Store. And Roku
 11 frequently organizes children's programming within these particular sections under headers such as
 12 "Animated Adventures" and "Popular Free Kids Movies and TV Shows." Roku also pins
 13 downloaded channels, including children's channels, to the Roku Home page, further ensuring that
 14 children frequently access third-party content, as well as content from Kids and Family on The
 15 Roku Channel, from the Roku Home page.

16 27. Roku knows that a significant portion of its userbase comprises children. Roku
 17 advertises Kids and Family on The Roku Channel as containing "10,000+ FREE kids' shows and
 18 movies."⁶ And throughout its history, Roku has marketed its service as a service for children. For
 19 instance, in a 2018 blog post on Roku.com, Roku employee Bill Wilson wrote:

20 Do your little ones want to watch the same TV show *again and again*? If your kids' viewing habits are anything like mine, these 12
 21 free Roku channels will be a welcome change to the same free movies
 22 or shows over, and over, and over . . . [.] Did we miss any of your
 23 children's favorite Roku channels? Let us know in the comments
 24 below!^[7]

25
 26
 27 ⁶ Roku, Roku Channel Store, Kids & Family on The Roku Channel,
 28 <https://channelstore.roku.com/details/e0e68b19786946868d9c905fc152e141/kids-and-family-on-the-roku-channel>.

29 ⁷ Roku, Bill Wilson, "12 free kids Roku channels" (2018), <https://www.roku.com/blog/free-kids-roku-channels>.

1 The underlined text in Wilson's blog post was a direct link to the Kids & Family section of the
2 Roku Channel Store. Below are quotations and a photo from blog posts by Roku employees
3 extolling the company's robust offerings of child-directed content, including on third-party
4 channels:

- Are your kiddos out of school this week? All those fun outdoor Spring Break activities are sure to tire them out...and will absolutely tire you out. So, for those much needed breaks on the couch – the free Roku channels on your Roku player or Roku TV to the rescue![8]
 - All your preschoolers' favorite entertaining and educational TV shows are here! Today the popular NOGGIN service is available on Roku players and Roku TV models in the U.S.[9]
 - NOGGIN . . . offers an ad-free experience featuring hundreds of iconic, full-length episodes, short-form videos, educational content, music videos featuring preschoolers' favorite Nickelodeon characters, and more, with new content added weekly.[10]



- Channels such as Kartoon.TV and Cartoon Club give your children access to some of the best cartoons of all time, from Looney Toons and Betty Boop to Casper and Popeye.^[11]
 - There are a whole host of games available to keep your children entertained. From Mini Golf to Tetris and even the selection of karaoke channels found

⁸ Roku, Melissa Morell, “The top free Roku channels for kids” (2016), <https://www.roku.com/blog/top-free-roku-channels-kids>.

⁹ Roku, VP Ed Lee, “NOGGIN now streaming on the Roku platform” (2016), <https://www.roku.com/blog/noggin-now-available-on-the-roku-platform>.

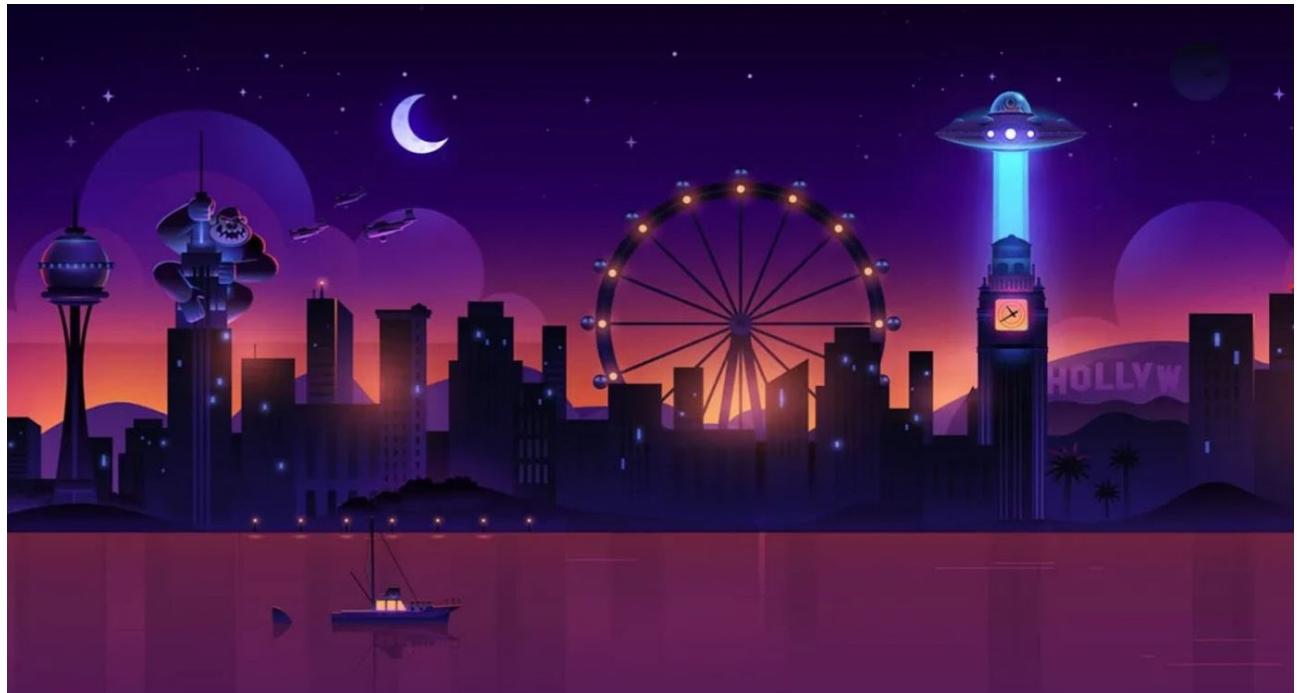
10 *Id.*

¹¹ Roku, VP Clive Hudson, "Roku UK: The best TV entertainment for children (and parents)" (2015), <https://www.roku.com/blog/en-gb/roku-uk-the-best-tv-entertainment-for-children-and-parents>.

1 under the “Music” category in the Roku Channel Store, there’s lots of fun to
 2 be had for children of all ages.^[12]

3 28. As Roku’s marketing suggests, Roku’s child users frequently watch Roku
 4 programming without a parent or other adult present. Indeed, a common way children consume
 5 Roku’s content is on personal tablets and mobile devices. According to Common Sense Media, a
 6 leading children’s advocacy non-profit, nearly 50% of children ages 2-4 and over 66% of children
 7 ages 5-8 have their own tablet or mobile device.¹³ These same children spend approximately 73% of
 8 their screen time watching TV or videos.¹⁴

9 29. Other aspects of Roku further support the conclusion that the platform as a whole is
 10 directed to children. By default, Roku displays the “Roku City” screensaver on customers’
 11 televisions when the Roku platform is left idle. Roku City is a cartoon screensaver with recurring
 12 animated characters apparently designed to appeal to children. Shown below is a representative
 13 Roku City screensaver that includes cartoon renderings of a gorilla and an alien spaceship.

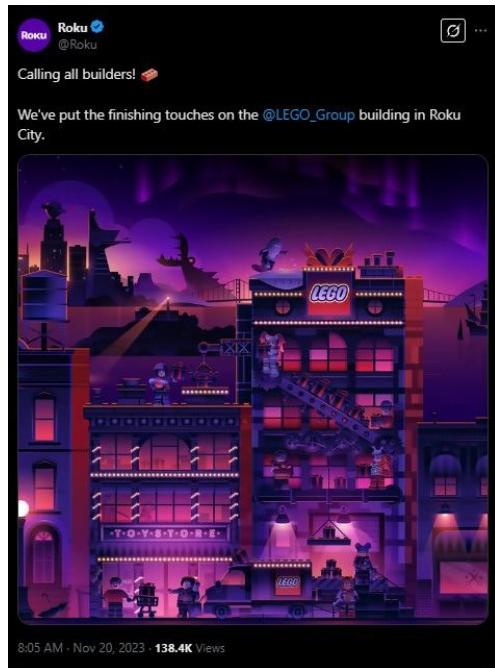


27 ¹² *Id.*

28 ¹³ Common Sense Media, “The Common Sense Census: Media Use By Kids Age Zero to Eight” (2020),
https://www.commonSenseMedia.org/sites/default/files/research/report/2020_zero_to_eight_census_final_web.pdf.

¹⁴ *Id.*

1 30. The child-directed nature of Roku City and the Roku platform generally is confirmed
2 by the fact that advertising on Roku City is frequently directed to children. Show below are
3 examples of advertising on Roku City to promote Lego, Disney, and Spongebob Squarepants.



1 31. Roku has acknowledged that advertising and data collection regulations with respect
 2 to children's programming pose a threat to its business. In its 2023 SEC Form 10-K, the company
 3 wrote, "Finally, there is political or regulatory pressure in some countries to limit streaming TV
 4 advertising (including limiting the advertising that may be associated with children's content) or
 5 impose local content requirements on streaming TV services, which could pose a threat to our
 6 services."¹⁵ The company went on to acknowledge that it "could be at risk for violation or alleged
 7 violation of . . . privacy, advertising, children's online protection, or similar laws."¹⁶

8 **IV. Collection of Children's Personal Information on Roku**

9 32. The Children's Online Privacy Protection Act (COPPA) requires, among other
 10 things, that Roku refrain from collecting certain categories of personal information from users on
 11 sections of its platform directed to children without parental notice and consent. *See* 15 U.S.C.
 12 § 6502(a)(1); 16 C.F.R. § 312.3(a)-(b). Despite this obligation, Roku collects personal information
 13 from all users of its platform by default—instead of first determining whether those users are
 14 children. Roku also actively collects, and allows third parties to collect, the personal information of
 15 users who view children's content by accessing it from child-directed sections of its platform. Even
 16 when children access content by first navigating to Kids and Family on The Roku Channel—one of
 17 many child-directed sections of the platform—Roku collects their personal information without
 18 parental notice and consent and uses that information to deliver targeted behavioral advertising to
 19 children on Roku platform pages.

20 33. By limiting the sections it treats as directed to children, Roku ensures that it collects
 21 and discloses the personal information of its child users. For instance, when children access content
 22 available on Kids and Family on The Roku Channel by clicking a link or searching for the content
 23 on a Roku platform page, Roku frequently collects their personal information. Similarly, Roku
 24 collects and allows third parties to collect the personal information of children watching third-party
 25 channels when those third parties fail to identify their content as directed to children. This is true
 26

27
 28 ¹⁵ Roku 2023 SEC Form 10-K at 16.

¹⁶ *Id.* at 42.

1 even when Roku knows that the content is directed to children because it is placed within a child-
 2 directed section of the platform.

3 34. Roku's advertising business is built on user data, including a significant amount of
 4 data collected from child users. By choosing to ignore the child-directed nature of its platform as a
 5 whole, and the child-directed nature of certain sections of its platform, Roku ensures that it
 6 maximizes the personal information it collects. Roku then uses that personal information to
 7 maximize the value of targeted advertising delivered across Roku, as well as the value of the data it
 8 shares with and sells to third-party partners.

9 **A. The Collection of Children's Personal Information While Viewing Content
 10 Available on Kids and Family on The Roku Channel**

11 35. When children access content available on Kids and Family on The Roku Channel
 12 without first *navigating to* Kids and Family on The Roku Channel, they are frequently subject not
 13 only to Roku's collection of their personal information, but also to collection by third-party
 14 advertising trackers whose cookies Roku has installed on its platform.

15 36. For instance, shown below is a cookie from the internet tracking and advertising
 16 analytics firm New Relic. It is receiving information while a Roku user views content available on
 17 Kids and Family on The Roku Channel, including a URL containing the title of the movie
 18 (*Caillou's Holiday Movie*), and a persistent identifier ("a=").

19 <https://bam.nr-data.net/events/1/2acbd9030c?a=63612354&v=1.267.0&to=MIVbNhZSX0FYUhYVwsffB0UQVRBSlsQHn8gZBN&rst=54050&ck=0&s=4de689b25160e693&ref=https://therokuchannel.roku.com/details/0bb8cd385e125bc592e5baa3494ad6aa/caillous-holiday-movie&p tid=ea53d129c85a8e6b>

21 37. Similarly, Roku shares child users' personal information with advertising analytics
 22 company Innovid, which manages another cookie installed on the Roku platform. In this example,
 23 while the user is watching *A Monster in Paris*, a children's movie available in Kids and Family on
 24 The Roku Channel, Roku collects and discloses personal information in the form of a persistent
 25 identifier, as well as geolocation data (in the form of latitude and longitude), to Innovid:

26
 27
 28

1 https://s.innovid.com/1x1.gif?project_hash=1iep03&client_id=6803&video_id=1350790&channel_id=4457369&publis
 2 her_id=1460&placement_tag_id=0&project_state=2&r=1727901193139&placement_hash=1a92q3&device_id=&actio
 3 n=init&ivc_exdata=dipn%3Ddeviceid%26deviceid%3DROKU_ADS_TRACKING_ID%26ivc_deviceid_raw%3DROKU_ADS_

 4 TRACKING_ID%26iv_geo_dma%3D609%26iv_geo_country%3DUS%26iv_geo_city%3DSt+Louis%26iv_geo_state%3DM
 5 O%26iv_geo_zip%3D63109%26iv_geo_lat%3D38.5848%26iv_geo_lon%3D-90.2996

6 38. Roku also shares geolocation information and persistent identifiers for children
 7 viewing content available on Kids and Family on the Roku Channel with at least one known data
 8 broker: Nexxen, formerly known as Tremor. Research from the U.S. Public Interest Research Group
 9 in 2023 identified Tremor as a notable data broker that grouped Americans in at least 400 different
 10 health segments, including “vape users” and users who have an “opioid interest,” in order to better
 11 “deliver targeted advertising.”¹⁷ Shown below, while a user watches *Garfield Gets Real*, the 2007
 12 children’s movie, Roku discloses geolocation data (in the form of latitude and longitude) to Nexxen,
 13 along with persistent identifiers.

14 https://vae-bid.adsvr.org/bid/feedback/tremor?t=1&iid=2c66134e-c3ff-4b52-9405-dab77c742c25&cid=ddp1u762&wp=19.15&aid=1&wpc=USD&sfe=19368613&puid=&bdc
 15 =95&tddid=&pid=tbsgehi&ag=gv9wwg&adv=92z6c77&sig=1LN_cTjzUaLPpj1QvIPDBuG6FKx2efgyq3YlppnD4-nA.&bp=24.15&cf=7427443&fq=0&td_s=com.roku.therokuchannel&rcats=&mste=&mfd=4&mssi=&mfsi=&uhow=112&agsa=&rgz=60601&svbttd=1&dt=PC&osf=Windows&os=Windows10&br=Edge&rlangs=en&mlang=&svpid=4vb92-fz&evg&did=f3bd49e8-1210-48e7-b744-ab9f92a7be13&rcxt=InApp&lat=41.888199&lon=-87.616402&tmc=24.77000000000004&daid=&vp=0&osi=&osv=&sft=2&bx=120&testid=%7Cfcaw%7C&vpb=PreRoll&c=1-KLUv_SNa1XJFuS0CAAMCB-6HIAKs9xX5n1dty9H-3-P_nbd7Lo1lusfk9xO_HkaCNGQVR6dREPPBXgJBiu1jBzbOeRNMKl6OUX4QYUKoTfOg..&dur=1-KLUv_SMFoCgkUP0AAGglCg9pU3BvBWlzG908Px7wMQps7Szl0Sn-RZZB0.&durs=R6K5xM&crrelr=&pcm=1&vc=12&said=98a9626d-7932-46d6-9736-14c608c00dfc&ict=Unknown&auct=3&mgnr=animation&cxdr=75.01-90&cxlvs=0&im=1&mc=37a61268-af54-47ff-86ff-da79b9bdcbb&ev=gVYzix82slEgAvazFO7zbOvDNwKUjz9wGf5G7i1pB

16 39. Roku’s disclosure of this user data from viewers of content from Kids and Family on
 17 The Roku Channel is particularly troubling because Roku promised parents it would not collect this
 18 information. When launching Kids and Family on The Roku Channel, Roku told users it would
 19 collect only “non-user level data” from viewers.¹⁸ Yet Roku now collects user-level data from these
 20 viewers—and, worse still, Roku shares that user-level data with data brokers and other third parties.
 21 And as discussed in Part IV.C below, Roku also collects user-level data from these viewers for
 22 purposes of its own targeted behavioral advertising on Roku platform pages.

23
 24
 25 ¹⁷ Comments of U.S. Public Interest Research Group, Proposed Amendments to the Health Breach Notification Rule at
 26 3, 16 CFR part 318, Project No. P205405 (Aug. 8, 2023).

27 ¹⁸ Sarah Perez, “Roku launches a Kids & Family section on The Roku Channel, plus parental controls” (Aug. 19, 2019),
 28 <https://techcrunch.com/2019/08/19/roku-launches-a-kids-family-section-on-the-roku-channel-plus-parental-controls/>. The article noted that Roku’s parental controls feature would “give parents more control” over what their children could watch on The Roku Channel, but would be difficult to use in other respects “due to Roku’s current lack of user profiles.” *Id.*

1 **B. The Collection of Children's Personal Information While Viewing Third-Party
2 Children's Content**

3 40. Roku also collects, and allows third-parties to collect, children's personal
4 information when they view third-party children's content. Roku knows this content is directed to
5 children because it is included in child-directed sections of the Roku platform, such as the Kids &
6 Family section of the Roku Channel Store. Roku not only vets, curates, and delivers this
7 programming, but Roku is also intimately involved in the advertising on these channels. Roku built
8 the advertising technology that allows these channels to collect children's data and serve children
9 ads, and Roku itself serves some or all of the advertising on these third-party channels. Roku
10 frequently collects personal information from users who view this children's content when the third
11 party fails to identify its own content as directed to children, and allows third parties to collect
12 personal information from users who view this content even when those third parties have identified
13 their content to Roku as directed to children. The fact that these third parties are collecting
14 children's personal information is no surprise to Roku. As detailed below, it has been publicized in
15 multiple studies of Roku's children's content. Moreover, many channels Roku knows are directed to
16 children state in their privacy policies posted on Roku that they collect the personal information of
17 children who view their content.

18 41. Both Roku and third parties benefit from this collection of personal information.
19 First, the personal information collected is valuable to Roku and to third parties for a number of
20 purposes related to their advertising businesses, including support for ad attribution, as discussed in
21 more detail below. Second, when third parties fail to identify the content as directed to children,
22 Roku and the third parties not only can collect personal information from viewers of that content—
23 they also can serve viewers of that content targeted, behavioral advertising, which is significantly
24 more valuable.

25 42. Roku runs its own advertising on third-party channels, employing two distinct
26 models. First, under the "Inventory Split" model, Roku has the right to sell up to 30% of the
27 advertising inventory on third-party channels, with Roku keeping 100% of revenue from those
28 sales. Publishers are then permitted to sell the remaining 70% of their advertising inventory, and

1 keep 100% of that revenue. Roku purports to conduct “content appropriateness reviews” before
 2 serving advertising on third-party channels operating under the Inventory Split model.¹⁹ Second,
 3 Roku retains the right to enroll large, lucrative publishers in the “Roku Sales Representation
 4 Program.” This involves Roku taking over and managing 100% of the channel’s advertising
 5 inventory, and then sending back to the channels a share of the revenue.²⁰ Roku thus generally
 6 serves targeted, programmatic advertising using user data across third-party channels on its
 7 platform. Roku controls third-party channels’ advertising in other ways as well. For instance, Roku
 8 enters into agreements with third-party channels that permit Roku to fill unsold advertising
 9 inventory on those channels.

10 43. In light of Roku’s revenue model, any time a third-party channel fails to identify its
 11 content as directed to children, both Roku and the third-party channel can benefit from the delivery
 12 of more lucrative ads. Roku also facilitates—and exercises significant control over—the delivery of
 13 advertising on third-party channels, including child-directed channels. Third-party channels on
 14 Roku are built using Roku’s proprietary software development kit (SDK). Roku requires channel
 15 owners to register for the Roku developer program, and it then provides step-by-step instructions for
 16 how to use Roku tools to develop a Roku channel and run advertising on the channel. The “Roku
 17 Advertising Framework” (RAF) is a library built into the Roku SDK that connects third-party
 18 channels to third-party ad servers. Roku advertises that its RAF library is meant to handle the
 19 burden of managing advertisements for third-party channel developers: “The RAF library is
 20 intended to allow developers to focus their effort on the core design of their applications, and
 21 provide them with the ability to quickly and easily integrate video advertising features with minimal
 22 impact to the rest of their application.”²¹

23 44. Given the financial benefits of serving behavioral advertising and collecting personal
 24 information from viewers, it is unsurprising that third parties frequently do not identify their content

26 ¹⁹ Roku, Roku Developers, “Video advertisements,” <https://developer.roku.com/docs/features/monetization/video-advertisements.md> (“Roku may not begin filling the 30% of ad inventory it manages until it has concluded its content appropriateness review of the channel.”).

27 ²⁰ *Id.*

28 ²¹ Roku, Roku Developers, “Integrating the Roku Advertising Framework,” <https://developer.roku.com/en-gb/docs/developer-program/advertising/integrating-roku-advertising-framework.md>.

1 as directed to children—and that Roku is willfully blind to the practice. Indeed, third-party channels
 2 included by Roku in the “Kids & Family” section of Roku’s Channel Store routinely collect and
 3 disclose the personal information of children for the purpose of, among other things, serving
 4 targeted advertising to those children.

5 45. A 2022 study by privacy analytics firm Pixalate analyzed the advertising practices of
 6 child-directed channels on Roku. Pixalate determined a channel is “child-directed,” as that term is
 7 defined by COPPA, by applying the relevant COPPA factors in a manual review process conducted
 8 by its Trust and Safety Advisory Board, which was then led by a former FTC enforcer.²² Based on
 9 its analysis, Pixalate found that approximately 350 channels on Roku are child-directed and serve
 10 programmatic advertisements to children.²³

11 46. Of the 350 child-directed channels Pixalate examined, it determined that nearly all
 12 (96%) of those channels collected precise geolocation information, sufficient to identify the street
 13 name and city or town of the user, and disclosed that information to outside advertisers in the
 14 process of delivering programmatic advertisements to the child viewers of these channels.²⁴
 15 Moreover, 90% of those 350 channels collected and disclosed the residential IP address of children
 16 viewing the channels in the process of delivering programmatic advertisements.²⁵ And 100% of the
 17 child-directed channels studied by Pixalate collected and disclosed either precise geolocation
 18 information or residential IP addresses of their child viewers in the process of delivering
 19 programmatic advertisements.

20 47. Roku’s child-directed channels not only collect children’s personal information, but
 21 also disclose that information to third parties. In fact, Roku’s child-directed channels disclose the
 22 personal information of viewers at a *higher rate* than many other categories of Roku channels. A
 23 study of Roku by Princeton and University of Chicago technology researchers determined that
 24 Roku’s “Kids & Family” programming collected and disclosed children’s personal information to
 25

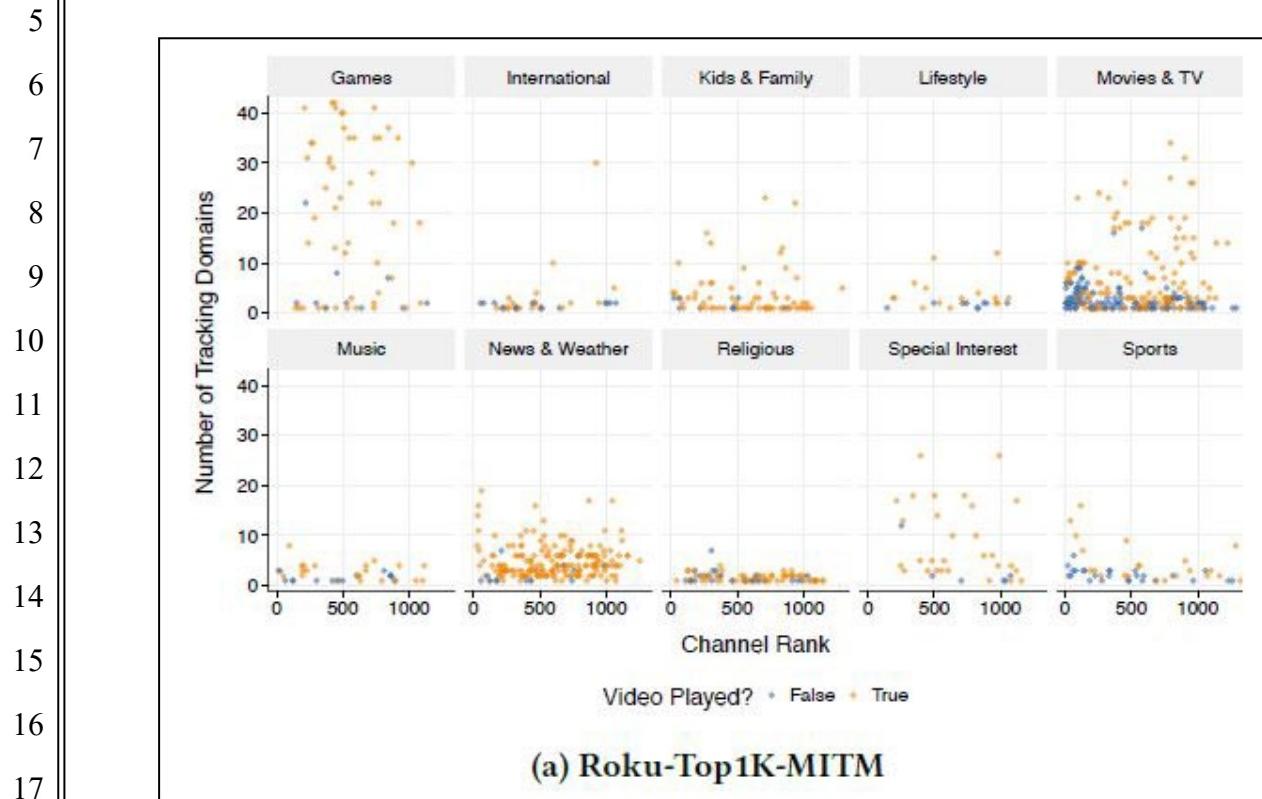
26
 27 ²² Pixalate, “Pixalate’s CTV COPPA Compliance Tools – Methodology” (Feb. 16, 2023),
<https://www.pixalate.com/coppa-ctv-methodology>.

28 ²³ Pixalate, “CTV Apps: Roku vs. Amazon COPPA Risk Scorecard” (2022).

²⁴ *Id.*

²⁵ *Id.*

1 third-party advertising exchanges at a *higher* rate, and to *more* third-party domains, than
 2 programming in many other categories.²⁶ The researchers' findings, based on the most viewed
 3 "Kids & Family" channels on Roku at the time, are shown in the scatterplot labeled "Kids &
 4 Family" below.



18. The scatterplots above also show data collection and disclosure by channels in other
 19 categories that contain child-directed content. Content in the "Games" category contacted the
 20 highest number of outside tracking domains despite including a large number of child-directed
 21 games. For instance, the researchers found more than 40 separate trackers contacted by the game
 22 "Rock Paper Scissors Free," which was the 437th most popular channel on Roku at the time. "Rock
 23 Paper Scissors Free" remains on Roku's Channel Store today, and the game states in its privacy
 24 policy that it collects personal information including IP addresses, uses cookies to track players
 25
 26
 27

28 ²⁶ Moghaddam *et al.*, "Watching You Watch: The Tracking Ecosystem of Over-the-Top TV Streaming Devices," 2019 ACM SIGSAC Conference on Computer and Communications Security (2019).

1 across the internet, shares users' personal information with third-party ad servers, and uses this
 2 information to serve users targeted advertisements.²⁷

3 49. Upon information and belief, a substantial portion—and likely a majority—of those
 4 individuals who play games on Roku are children. Many of the games in Roku's "Games" category
 5 are also included in the "Kids & Family" section of Roku's Channel Store. Moreover, Roku has
 6 stated in public blog posts that the platform includes "a whole host of games available to keep your
 7 children entertained," and that "[f]rom Mini Golf to Tetris . . . there's lots of fun to be had for
 8 children of all ages."²⁸ The same blog post promoted "the selection of karaoke channels found
 9 under the 'Music' category in the Roku Channel Store" as content "for children of all ages."²⁹

10 50. Roku knows that these third-party channels collect children's personal information
 11 without parental notice or consent. Third-party channel pages in the Kids & Family section of
 12 Roku's Channel Store frequently link to privacy policies that state they collect and disclose the
 13 personal information of users, including location information and IP addresses, when they view the
 14 channels.

15 51. For example, the Kids & Family section of Roku's Channel Store includes the
 16 channel *Mini Movies*, which offers animated content it describes as a "treasure trove of
 17 heartwarming tales that entertain, educate, and inspire children."³⁰ The privacy policy linked on the
 18 *Mini Movies* Roku page, from its creator SignalJump, informs users that SignalJump "may collect
 19 . . . Internet Protocol (IP) address" from users, and that it uses "cookies and similar technologies" to
 20 track users.³¹ It includes no provisions for protecting children's data. Upon information and belief,
 21 *Mini Movies* collects the personal information of children under the age of 13 on Roku, and Roku
 22 benefits from that collection.

23

24

²⁷ Roku, Roku Channel Store, Rock Paper Scissors Free, <https://channelstore.roku.com/en-gb/details/123fce930b6c0a77b33fc4fbca57805/rock-paper-scissors-free>; StuffWeLike, Privacy Policy, <http://www.stuffwelike.com/privacy-policy/>.

²⁸ Roku, VP Clive Hudson, "Roku UK: The best TV entertainment for children (and parents)" (2015), <https://www.roku.com/blog/en-gb/roku-uk-the-best-tv-entertainment-for-children-and-parents>.

²⁹ *Id.*

³⁰ Roku, Roku Channel Store, Mini Movies, <https://channelstore.roku.com/details/acb602aad32ab956af18bc15c14e80b1/mini-movies>.

³¹ SignalJump, Privacy Policy, <https://signal-jump.com/policy.html>.

1 52. Another example of a child-directed channel openly collecting children's data is
 2 *Stunt Racer*, a game made by Mumbai-based Rendered Ideas, and included in the "Kids & Family"
 3 section of Roku's Channel Store. The Rendered Ideas Privacy Policy linked in the Roku Channel
 4 Store states that it both collects children's personal information and discloses that information to
 5 third parties:

6 *We collect your name, IP address, device model number, device user
 7 agent, location information, advertising id (android/ios), device id,
 8 and/or any other information that may be collected by third parties
 9 (such as ad networks). . . . We may use your information for the
 10 purpose of providing, delivering, protecting, marketing and/or
 11 improving our services. . . . We also might use your information for
 12 Google analytics, Flurry analytics to better understand your interest
 13 and serve you better (for example to update and develop player
 14 profile, customize service experience etc). . . . Some of our
 15 services/apps/games are supported by third party ad networks that
 16 serve advertisements within our services/apps/games. These
 17 adnetworks [sic] send advertisements and links to your device and
 18 that will appear in our services/apps/games. When our
 19 services/apps/games request such advertisements, some of your
 20 information (such as your IP address, location information, device
 21 User Agent, Advertising ID, device ID etc) is transferred to us and
 22 these third party ad networks.^[32]*

23 53. *Stunt Racer* thus collects and discloses the personal information of children under the
 24 age of 13 on Roku, and Roku benefits from that collection and disclosure.

25 54. Even some of the most prominent child-directed third-party channels on Roku have
 26 privacy policies that state they collect personal information from users. For example, the Roku page
 27 for *HappyKids*, one of Roku's most popular channels, as well as the pages for channels *Ninja Kidz*
 28 *TV* and *HappyKids Girls*, all link to a Privacy Policy from creator Future Today, Inc., which states:

29 Do we collect Personal Data? YES. Some categories include IP
 30 addresses, device and advertising identifiers, first name and last name,
 31 usage data and other information obtained with cookies and similar
 32 tracking technologies.^[33]

28 ³² Rendered Ideas, Privacy Policy, <https://www.renderedideas.com/privacy-policy/> (emphasis added).

33 Future Today, Privacy Summary, <https://futuretodayinc.com/privacy> (last updated Dec. 18, 2024).

1 55. Until December 2024, Future Today’s Privacy Policy included a blanket statement
 2 that it “adheres to the U.S. Children’s Online Privacy Protection Act of 1998 . . . in the parts of our
 3 Service directed to children under the age of thirteen (13),” without further explanation.

4 56. Upon information and belief, Future Today did not and still does not consistently
 5 limit the collection and processing of user data on its child-directed channels within the Roku
 6 Channel Store. On August 18, 2022, a Roku user reported that Future Today’s *Pinkfong & Baby*
 7 *Shark* channel displayed commercials “completely inappropriate for kids,” including commercials
 8 featuring “murder, dead bodies, crime scenes, blood, and everything else!”³⁴ The most likely
 9 explanation for these advertisements is that Future Today had enabled targeted, programmatic
 10 advertising on *Pinkfong & Baby Shark*, using personal information from the household Roku
 11 account viewing the content. The fact that Future Today could deliver targeted, programmatic ads
 12 on *Pinkfong & Baby Shark* content, even mistakenly, shows that it was improperly collecting Roku
 13 user data from viewers of *Pinkfong & Baby Shark*.

14 57. When children view content included in the Roku Channel Store, neither Roku nor
 15 the above third-party channels obtain, or attempt to obtain, the parental consent required under
 16 COPPA to collect children’s personal information, nor do they provide notice of that data collection
 17 as required by COPPA.

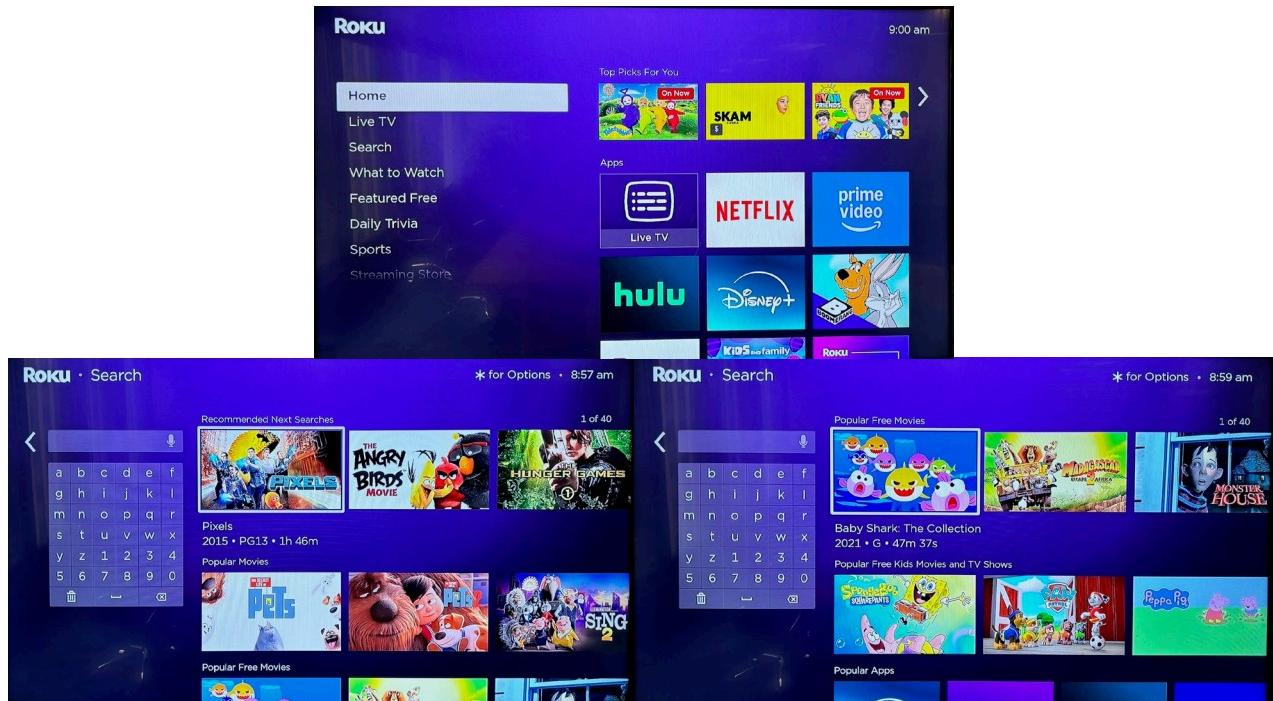
18 **C. The Collection of Children’s Personal Information After Accessing Content Within
 19 Kids and Family on The Roku Channel**

20 58. In addition to the collection of children’s personal information from content accessed
 21 outside Kids and Family on The Roku Channel, Roku also collects children’s personal information
 22 when they access children’s content *within* Kids and Family on The Roku Channel.

23 59. Roku accounts that frequently view children’s programming on Kids and Family on
 24 The Roku Channel or third-party child-directed channels are targeted with advertisements and
 25 suggestions for other children’s programming from the moment they open their accounts—
 26 including on the Roku Home and Search screens, as shown on the next page. Critically, children
 27

28 ³⁴ Roku, Channels & Viewing, “Adult commercials on kids channels” (Aug. 18, 2022).

1 who only viewed content from within Kids and Family on The Roku Channel would still receive
 2 some of these targeted advertisements. This is because Roku collects personal information while
 3 children view content within Kids and Family on The Roku Channel and uses that personal
 4 information to serve children targeted advertisements for Roku content and third-party paid content
 5 for which Roku receives a share of revenue.³⁵



18 60. In the upper-right portion of the top image above (under “Top Picks For You”),
 19 Roku serves targeted advertisements for Roku’s own children’s content, and third-party paid
 20 programming, based on personal information Roku has collected—including personal information
 21 from viewers watching content *within* Kids and Family on The Roku Channel.

22 61. The types of targeted advertisements shown above are not presented to users based
 23 upon actions they have taken in the particular browsing session—they are present from the moment
 24 the user opens Roku. The advertisements thus are not “contextual advertising” served to a user
 25 based upon searches they have just run or pages to which they have just navigated, but rather

27 28 35 Roku generally retains 20% of net revenue from any “Transaction channel” that “monetizes through subscriptions or
 in-app purchases.” Roku, Roku Developers, “Monetization overview,”
<https://developer.roku.com/docs/features/monetization/monetization-overview.md>.

1 “behavioral advertising” that relies on personal information collected from child users over time.³⁶
 2 As explained above, this behavioral advertising includes ads for paid programming on Roku, from
 3 which Roku earns a share of revenue, and third-party programming that Roku monetizes by serving
 4 some or all of the advertising displayed. This behavioral advertising also includes advertisements
 5 and recommendations for children’s programming on Kids and Family on The Roku Channel,
 6 which Roku monetizes through advertising directed to children. Indeed, a substantial portion of the
 7 advertising on Roku’s platform pages comprises advertisements for programming on The Roku
 8 Channel—to great effect: 70% of usage of The Roku Channel is derived from ads for The Roku
 9 Channel programming placed throughout the Roku platform.³⁷ In other words, Roku uses platform
 10 advertisements to drive users to its own ad-supported programming.

11 62. Roku thus uses personal information collected from children who accessed content
 12 from within Kids and Family on The Roku Channel to deliver those users targeted advertising for
 13 content in which Roku has a unique financial interest. Furthermore, upon information and belief,
 14 Roku uses the personal information it collects from children accessing content from within Kids and
 15 Family on The Roku Channel not just to reach those children with behavioral advertising, but also
 16 to amass profiles on those child users to aid its advertising business.

17 **D. The Personal Information Roku Collects**

18 63. When Roku collects the personal information of children who view content in
 19 sections it does not treat as directed to children, its collection includes a wide variety of sensitive
 20 personal data. Moreover, Roku not only collects this personal information, but discloses it to third
 21 parties. The personal information Roku acknowledges it collects and discloses to third parties
 22 includes:

- 23 • “Identifiers, including, device identifiers, internet protocol addresses, browser
 24 cookies, and other unique online identifiers”;

25
 26 ³⁶ The FTC defines contextual advertising as “the delivery of advertisements based upon a consumer’s current visit to a
 27 Web page or a single search query, without the collection and retention of data about the consumer’s online activities
 over time.” 78 FR 3972 at 3979 n.94.

28 ³⁷ Rick Munarriz, “5 Bullish Takeaways From Roku’s Blowout Quarter,” The Motley Fool (Aug. 2, 2024),
<https://www.fool.com/investing/2024/08/02/5-bullish-takeaways-from-rookus-blowout-quarter/>.

- 1 • “Account registration information” including “name, address” and “telephone
2 number”;
- 3 • “Commercial information, including records of personal property, products
4 or services purchased, obtained, or considered, or other purchasing or
5 consuming histories or tendencies”;
- 6 • “Internet or other electronic network activity information, including, but not
7 limited to, browsing history, search history, and information regarding a
8 consumer’s interaction with an Internet website, application, or
9 advertisement”;
- 10 • “Precise geolocation”; and
- 11 • “Audio” and “visual” information from users,³⁸ which, until December 2024,
12 Roku explicitly acknowledged to include “consumers’ photos, videos, and
13 audio recordings.” Roku amended its privacy policy in December 2024 and
14 removed these examples.

15 64. Roku collects all of this personal information from children using its service when
16 they access certain content from child-directed sections of the Roku platform other than Kids and
17 Family on The Roku Channel, as well as when they access certain third-party children’s content that
18 Roku knows to be child-directed but that the third party has not identified as directed to children.
19 Roku also collects this personal information from children when they view content within Kids and
20 Family on The Roku Channel, and uses that personal information for targeted behavioral
21 advertising on its platform pages and to amass profiles of those children.

22 65. Roku acknowledges in its privacy policy that it collects users’ personal information
23 not only when they interact with Roku content or Roku platform pages, but also when they “access
24 streaming services on a Roku device or Roku’s Channels on other devices,” when they watch or
25 access *any* content on smart TVs with Roku’s OS installed (via “Automatic Content Recognition,”
26 which identifies content displayed on the TV screen even outside the Roku platform), and from

27
28 ³⁸ Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

1 “websites, apps, streaming services, and connected devices (including Smart TVs and mobile
 2 devices) to which Roku provides advertising or measurement and analytics services.”³⁹

3 66. Roku uses a variety of methods to obtain user data. These methods include the direct
 4 collection of users’ personal information, browsing data, and voice recordings; tracking users with
 5 Roku’s own cookies and persistent identifiers; and partnerships with third-party analytics
 6 companies and data brokers to record users’ viewing habits, to track users across the internet, and
 7 even to track users’ physical locations as they move about their day. Through this wide range of
 8 techniques, Roku has amassed what has been described as a “gold mine” of customer data.⁴⁰

9 67. Roku uses the personal information it collects from child users to serve targeted
 10 advertisements across its platform—not just on programming. Indeed, Roku encourages channels
 11 seeking to grow their audience to purchase targeted display advertisements for those channels on
 12 Roku platform pages. Roku also offers these channels the ability to work with Roku staff to develop
 13 tailored advertising campaigns for the channels. In Roku’s own words:

14 The quickest and easiest way to get started promoting your [channel]
 15 on our platform is our [Roku Ad Manager] tool. This tool enables
 16 publishers to purchase display ads for their [channel] on Roku’s home
 17 screen UI. . . . Publishers with larger advertising budgets can also
 18 engage our Audience Development team. This team consists of
 campaign managers who use a more advanced toolset, and can help
 develop an on- and off-device advertising campaign that is tailored to
 your engagement goals on the platform.^[41]

19 68. Roku’s invasive data collection and disclosure practices have not gone unnoticed.
 20 The company has gained a reputation for uniquely invasive data collection practices and for its
 21 disregard of users’ privacy. The Mozilla Foundation gave Roku its “Privacy Not Included” warning,
 22 a label it reserves for products it has “determined to have the most problems when it comes to
 23 protecting [users’] privacy and security.”⁴² The Foundation describes Roku as “the nosy, gossipy

24
 25 ³⁹ *Id.*

26 ⁴⁰ Nadine Krefetz, “Roku Enters Stage Left Selling Data with Roku Exchange,” Streaming Media (June 17, 2024),
<https://www.streamingmedia.com/Articles/ReadArticle.aspx?ArticleID=164568>.

27 ⁴¹ Roku, Roku Developers, “Video advertisements,” <https://developer.roku.com/en-gb/docs/features/monetization/video-advertisements.md>.

28 ⁴² Mozilla Foundation, “Roku Streaming Sticks” (Nov. 9, 2022),
<https://foundation.mozilla.org/en/privacynotincluded/roku-streaming-sticks/>; Mozilla Foundation, “About our Methodology,” <https://foundation.mozilla.org/en/privacynotincluded/about/methodology/>.

1 neighbor of connected devices,” explaining that Roku tracks “just about everything [it] can” and
 2 “share[s] the data with lots and lots of advertisers, channel providers, business affiliates, and
 3 more.”⁴³ Common Sense Media’s Privacy Program also gave Roku its “Warning” label, specifically
 4 giving it 20% (“Poor”) ratings on the issues of “Data Security” and “Parental Consent.”⁴⁴

5 69. These criticisms do not deter Roku’s data collection, likely because aggressive data
 6 collection lies at the core of its business. In its 2023 SEC Form 10-K, Roku explained that its
 7 business depends on the expansive collection of user data and that legal limits on that data
 8 collection pose a threat to its business. Under a header that read, “*We may not be successful in our*
 9 *efforts to further monetize our streaming platform, which may harm our business,*” Roku explained:

10 11 Our ability to deliver advertisements relevant to our users and to
 12 increase our platform’s value to advertisers and content partners
 13 depends on the collection of user engagement data, which may be
 14 restricted or prevented by a number of factors, including the evolving
 15 data protection legal landscape.^[45]

16 70. In its 2024 SEC Form 10-K, Roku expanded on the importance of collecting its
 17 users’ personal information to its advertising business. Under a header that read, “*We and our*
 18 *service providers and partners collect, process, transmit, disclose, and store personal information,*
 19 *which creates legal obligations and exposes us to potential liability,*” Roku explained:

20 21 We, our service providers and partners use tracking technologies to
 22 collect information about users’ interactions with our platform,
 23 devices, websites, apps, and partners’ digital properties, and deliver
 24 advertising and personalized content for ourselves and on behalf of
 25 our partners. To personalize content and advertisements effectively,
 26 we must leverage this data, as well as data provided by third parties.
 27 The U.S. federal government, U.S. states, and foreign governments
 28 have enacted (or are considering) laws and regulations that could
 29 significantly restrict us and other advertising industry participants’
 30 ability to collect, use, retain, and disclose personal information. For
 31 example, some of these laws and regulations may require more

26
 27 ⁴³ Mozilla Foundation, “Roku Streaming Sticks” (Nov. 9, 2022),
 <https://foundation.mozilla.org/en/privacynotincluded/roku-streaming-sticks/>.

28 ⁴⁴ Common Sense Privacy Program, “Privacy Evaluation for Roku” (Mar. 22, 2023),
 <https://privacy.commonsense.org/evaluation/Roku>.

29 ⁴⁵ Roku 2023 SEC Form 10-K at 16.

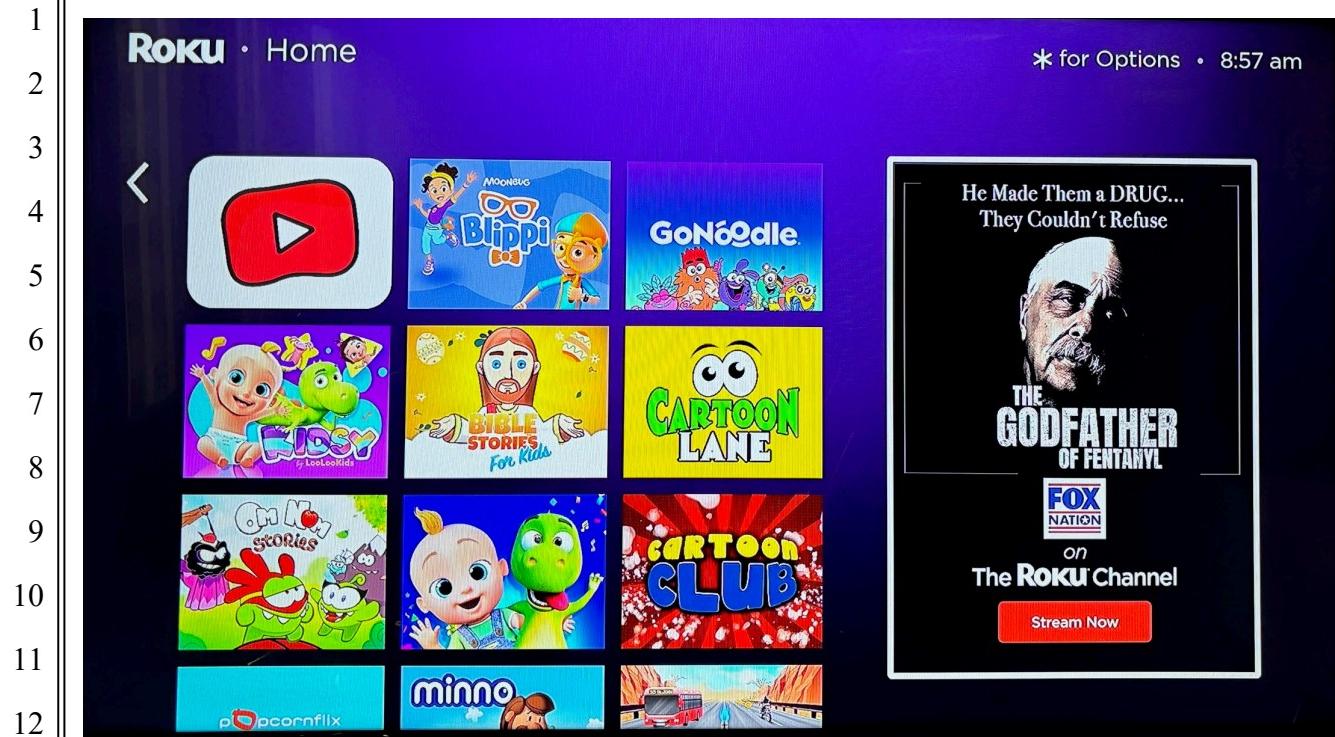
1 explicit consumer notice and consent for using tracking technology or
2 collecting sensitive personal information . . . Any restrictions on our
3 ability to collect, use, or retain data is [sic] likely to increase the
4 number of users to whom we cannot serve targeted advertising, which
5 could make our platform less attractive to advertisers and partners,
6 and harm our ability to grow our revenue, particularly our platform
revenue which depends on effective delivery of advertising
campaigns.^[46]

7 71. Unlike its major competitors, such as Google TV, Apple TV, and Amazon Fire TV,
8 Roku does not offer its users an option to create user profiles, or separate profiles for child users,
9 containing information about the user's age. For Roku's competitors, these profiles enable parents
10 to identify when a child is using the service, moderate what content is accessible, and prevent or
11 consent to the collection of that child's personal information. For instance, parents who set up a
12 Google TV children's profile are prompted to provide consent for the collection and use of
13 information collected from their children's profiles. By declining to implement children's profiles,
14 Roku ensures that it does not have to limit its widespread collection of children's personal
15 information when they use Roku. This maximizes the data Roku collects from its users by ensuring
16 that Roku's most invasive data collection practices affect children on its platform just as much as
17 they affect adults.

18 72. By not providing children's profiles, Roku ensures not only that it collects children's
19 personal information alongside their parents' personal information, but also that it serves children
20 targeted ads on the basis of the personal information it collects—as explained in the previous
21 section. Another concrete result of this decision is that Roku accounts used by children are
22 frequently presented with inappropriate targeted advertisements on platform pages otherwise full of
23 child-directed content. An example is shown at the top of the next page.

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28⁴⁶ Roku 2024 SEC Form 10-K at 30.



13. The importance to Roku of collecting children's personal information is
 14 demonstrated by the fact that parents have consistently complained to Roku about the absence of
 15 children's profiles and the fact that Roku renders them unable to insulate children from
 16 inappropriate content. In June 2022, a user complained that an age-inappropriate ad appeared on the
 17 Roku "homescreen when my kids were trying to watch cartoons" and that the ad was "like softcore
 18 [pornography]."⁴⁷ This parent added that they had seen users "complaining about Roku showing
 19 inappropriate content to minors via the 'ads' for years," and that while Roku's "argument may be
 20 that they don't know it's little children watching, I don't believe that." A Roku employee responded
 21 stating, "We'll be forwarding your comments to our advertising department for review." A different
 22 user then responded, "Shame on you Roku for this 'solution.'" This user explained that an ad for
 23 "Sex Next Door," a series about the personal and professional lives of four sex workers in Seattle,
 24 appeared on the "home screen for kids to view."⁴⁸ Similar examples abound. In April 2020, a user
 25 who had Roku on two separate TVs in their house inquired whether they could add channels to

27 ⁴⁷ Roku, Account, payment & subscriptions, "Who can I talk to to report inappropriate content on Roku?" (June 3, 2022), <https://web.archive.org/web/20230129033126/https://community.roku.com/t5/Account-payments-subscriptions/Who-can-I-talk-to-to-report-inappropriate-content-on-Roku/m-p/798140>.

28 ⁴⁸ *Id.*

1 Roku on one of the TVs, but not the other, because they did not want their children to have access
 2 to all of the content they watched. A Roku Community Streaming expert responded that this could
 3 not be done because it is impossible to have different profiles under one account.⁴⁹

4 74. Roku likely resists its customers' calls for industry-standard children's profiles
 5 because it knows that implementing such profiles would prevent it from collecting, and allowing
 6 third parties to collect, the personal information of children in the manner described throughout this
 7 complaint.

8 **V. Roku's Disclosure of Users' Personal Data to Third Parties**

9 75. Roku's troubling data collection practices extend beyond the collection of children's
 10 personal information. Roku relies on third-party partners to enhance its collection of data from all of
 11 its users—adults and children alike. Roku acknowledges that its websites use third-party cookies
 12 that "collect information automatically" from Roku users.⁵⁰ These partnerships are a two-way
 13 street: In order for Roku to gain the benefit of the information, it must share its users' sensitive
 14 information with these third parties.

15 **A. Roku's Disclosure of the Content Users Watch or Request to Third Parties**

16 76. When Roku users watch programming—including children's programming—on The
 17 Roku Channel from an internet browser, Roku shares personally identifying information about those
 18 users with web tracking companies such as Google and New Relic. Among the information these
 19 companies receive are URLs containing the titles of videos users are watching and have requested
 20 from Roku, as well as User IDs and other persistent identifiers that identify those users. The image
 21 below shows a Google Analytics cookie on The Roku Channel that is receiving a URL containing
 22 the TV show (*Walker Texas Ranger*) and episode (*Blown Apart*) that the user is watching at that
 23 time, along with persistent identifiers such as an alphanumeric Client ID ("cid=").

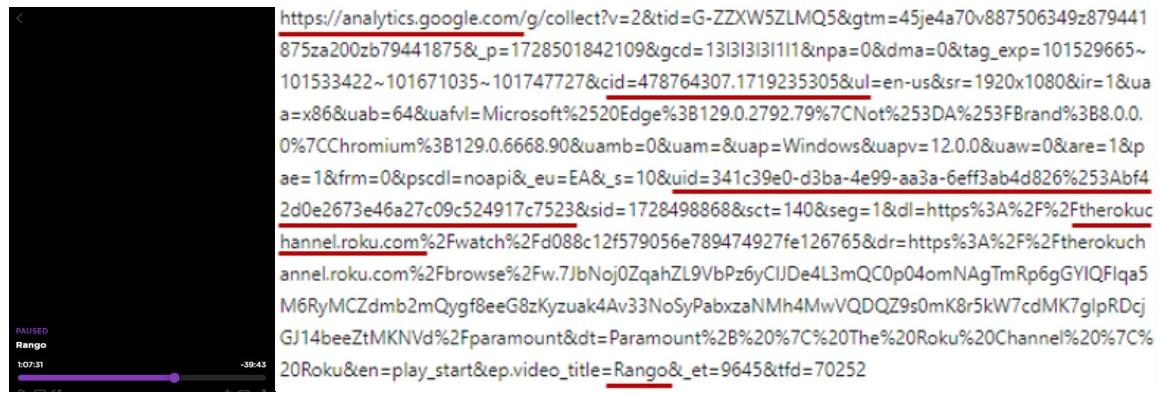
24
 25 [28 ⁴⁹ Roku, Roku setup, "Different channels on different devices on the same account?" \(Apr. 11, 2020\).](https://analytics.google.com/g/collect?v=2&tid=G-ZZXW5ZLMQ5>n=45je4a10v887506349za200zb79441875&p=1727895497749&gcd=1313|3111&npa=0&dma=0&tag_exp=10153421~101671035~101747727&cid=478764307.1719235305&ul=en-us&sr=1920x1080&ir=1&ua=x86&uab=64&uafl=Microsoft%2520Edge%3B129.0.2792.65%7CNot%253DA%253FBrand%3B8.0.0%7CChromium%3B129.0.6668.71&uam b=0&uam=&uap=Windows&uapv=12.0.0&uaw=0&are=1&pae=1&frm=0&pscld=noapi_eu=EEA&s=9&uid=ba32db6e-d71f-4dfa-a0a-93721d1ecb2d%253Abca07fc3c5d85445f1e16ba97aa136%2Fwalker-texas-ranger&sid=1727895500&sct=128&seg=1&dt=Watch%20Walker%20Texas%20Ranger%20-%20S4%3AE1%20Blown%20Apart%20(1995)%20Online%20for%20Free%20The%20Roku%20Channel%20%7C%20Roku&en=page_view&et=959&tfd=60320

 26

 27</p>
</div>
<div data-bbox=)

50 Roku, "Roku Cookies Policy for Roku Websites," <https://docs.roku.com/published/cookiepolicy/en/us>.

1 77. Shown below is another instance of the Google Analytics cookie installed on The
 2 Roku Channel. Here, Google receives URL information that identifies the title of the animated
 3 children's movie the user is watching (*Rango*), along with persistent identifiers, including the same
 4 Client ID ("cid=") in the image shown on the previous page, a User ID ("uid="), and a browser
 5 fingerprint—all after the user chose to start the movie ("en=play_start&ep.video_title=Rango").



13 78. As described earlier in this complaint, Roku also discloses the content its users
 14 watch, including content its child users watch, to advertising analytics firm New Relic. Upon
 15 information and belief, Google, New Relic, and other third-party tracking companies receive
 16 additional personally identifiable information about Roku users, including the users' names,
 17 addresses, email addresses, precise geolocation information, IP addresses, Roku IDs, and other
 18 persistent identifiers. This is apparent from the fact that Roku lists Google and New Relic among
 19 the service providers that it uses to process information about users, identifies Google as providing
 20 "Ad Targeting, Analytics/Measurement, [and] Optimization" for Roku, identifies New Relic as
 21 providing "Analytics/Measurement, Content Customization, [and] Optimization" for Roku, and
 22 acknowledges in its privacy policy that it shares "Account registration Information, i.e., name,
 23 address, email address," as well as "device identifiers, internet protocol addresses," "other unique
 24 online identifiers," and "Precise geolocation" with such "service providers."⁵¹ An ordinary person
 25 could use the information Google receives from Roku across its services, including browser
 26 fingerprint, Client ID, or User ID, to link a Roku user's viewing history to the user's identity. New

27
 28 ⁵¹ Roku, "Roku cookie policy for Roku websites," <https://privacy.roku.com/info/cookie>; Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

1 Relic's ability to access personally identifying information is also apparent from New Relic's open-
 2 source software specifically designed for Roku channels—the "New Relic Roku observability
 3 agent"—which acknowledges that it offers "[c]ustomer journey tracking" so that channels may
 4 "[f]ollow customers as they navigate the application towards their content."⁵²

5 79. Roku also currently uses, or has historically used, tracking pixels and cookies from
 6 Meta, LinkedIn, and Nextdoor to track its users, including on The Roku Channel. As a result, Roku
 7 has provided these companies URLs containing the titles of videos users have viewed, as well as
 8 personally identifiable information about the users. Moreover, Roku's disclosures to these
 9 companies effectively identify users who are logged in to accounts with these companies, as the
 10 companies can link the Roku user to their identifying information (including their real name) from
 11 their Facebook, LinkedIn, or Nextdoor account. For example, Roku has installed the Meta Pixel on
 12 The Roku Channel. The Meta Pixel works by linking activity by Roku users to the Facebook
 13 accounts of those users. Roku users' activity is linked to a Facebook ID, which is in turn readily
 14 linked to that person's Facebook account in a process that has historically been simple enough for
 15 any ordinary person to complete. This means that when Roku discloses information about its users,
 16 including what those users watch, Facebook is able to readily link that information to the person's
 17 identity.

18 80. Even if Meta, LinkedIn, or Nextdoor were not able to link users' activities on Roku
 19 to their accounts with the companies, they also receive users' personally identifying information
 20 from Roku directly. Upon information and belief, Roku discloses users' personally identifying
 21 information to Facebook, LinkedIn, Nextdoor, and other third-party companies Roku partners with
 22 for advertising purposes. This is apparent because Roku identifies each of these companies among
 23 the companies it uses to collect and process information about users for "Ad Targeting,
 24 Analytics/Measurement, [and] Optimization,"⁵³ and, as discussed above, it acknowledges it shares
 25 users' names, addresses, email addresses, precise geolocation information, IP addresses, Roku IDs,
 26 and other persistent identifiers with such companies.

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 28 ⁵² New Relic, "Roku," <https://newrelic.com/instant-observability/roku>.

⁵³ Roku, "Roku cookie policy for Roku websites," <https://privacy.roku.com/info/cookie>.

1 **B. Roku's Other Partnerships with Data Brokers**

2 81. Roku provides a variety of tools for advertisers to determine, and publishers to
 3 demonstrate, that advertisements served on the Roku platform are effective. Many of these tools are
 4 provided by third parties and integrated into the Roku operating system through Roku's
 5 Measurement Partner Program, which Roku describes as featuring companies that have been
 6 "evaluated and vetted" by Roku, including for "their compliance with consumer privacy policies."⁵⁴
 7 Roku promotes the availability of these measurement partners as a valuable part of working with
 8 Roku. For instance, on a page dedicated to advertising on Roku and describing "[h]ow it works,"
 9 Roku emphasizes the ability to use "trusted measurement providers" on Roku in order to "[m]easure
 10 impact and gather insights."⁵⁵

11 82. Roku's Measurement Partner Program provides publishers and advertisers the tools
 12 to "measure outcomes across the marketing funnel, including reach, resonance, and reaction."
 13 "Reach" refers to identifying whom specifically "the campaign reach[ed]." "Resonance" refers to
 14 how "the audience resonate[d] with the campaign branding and message." And, perhaps most
 15 significantly, "reaction" refers to whether the campaign "ultimately dr[o]ve consumers to react via a
 16 purchase, store visit, or website visit."

17 83. Among its "Reaction Measurement" providers, Roku lists Kochava, an Idaho-based
 18 measurement and attribution software provider. According to Roku Head of Audience Development
 19 Grant Cohen, among the largest streaming apps on Roku, "more often than not," Kochava is "their
 20 preferred attribution provider." Attribution is the process of linking a reaction such as a store visit or
 21 purchase to a particular ad or ad campaign—in other words, demonstrating that a customer who
 22 visited a store or made a purchase saw a particular advertisement before doing so. Advertisers place
 23 great value on knowing, for instance, what percentage of Roku viewers who saw an ad for a
 24 particular clothing brand actually navigated to the brand's website or visited the brand's store, and
 25 how many of those viewers made a purchase. Publishers, in turn, have strong incentives to enable

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 27 ⁵⁴ Roku, Roku Advertising, "Roku Measurement Partner Program," <https://advertising.roku.com/advertiser-solutions/roku-partners>. Roku has revised this webpage, but as of February 2024 it read, "Roku's measurement program partners are evaluated and vetted based on factors such as . . . their compliance with consumer privacy policies."
 28 ⁵⁵ Roku, Roku Advertising, "How it works," <https://advertising.roku.com/en-gb/getting-started/how-it-works>.

1 advertisers to understand their ad performance. Kochava delivers this data on Roku users,
 2 benefitting Roku and its third-party channels in the process. Upon information and belief, Roku
 3 continues to support Kochava integration. As recently as July 15, 2024, Kochava posted a step-by-
 4 step guide for integrating Kochava with Roku, and both Roku and Kochava continue to promote
 5 this integration as of the filing of this complaint.⁵⁶

6 84. According to Roku, its Measurement Program Partners allow the company to “drive
 7 the industry forward by providing innovative measurement solutions that put our consumer[s’]
 8 privacy front and center.” At least with respect to Kochava, this is false.

9 85. Kochava is a data broker. According to the FTC, “Kochava sells data that directly
 10 links [mobile advertising IDs] to individual consumers’ identifying information” and enables its
 11 customers to “learn sensitive information about individual consumers who are identifiable without
 12 inference or additional steps.”⁵⁷ Kochava offers its customers the ability to access “precise
 13 geolocation data” for consumers, as well as “comprehensive profiles of individual consumers,”
 14 which include a user’s “name, email address, and home address,” as well as the race of the user,
 15 whether they have children, and how many children they have.⁵⁸

16 86. Kochava collects user data by allowing tens of thousands of mobile apps free use of
 17 the Kochava SDK. In return, Kochava uses these apps to constantly record timestamped latitude and
 18 longitude coordinates and tie these coordinates to a Mobile Advertising ID (MAID) for that device
 19 user. Kochava is also able to map individual devices to households using the “resting lat/long of a
 20 given device between the hours of 10pm and 6am.”⁵⁹ In other words, Kochava tracks individual
 21 personal devices throughout the day and links those personal devices to a specific household by
 22 tracking where those devices are located at night. Meanwhile, Kochava’s integration with Roku
 23 means that these personal devices are linked to a household’s Roku account, enabling Kochava to

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 25
 26 ⁵⁶ See, e.g., Kochava, “Create a Roku OneView Campaign,” <https://support.kochava.com/campaign-management/create-a-roku-oneview-campaign/>.

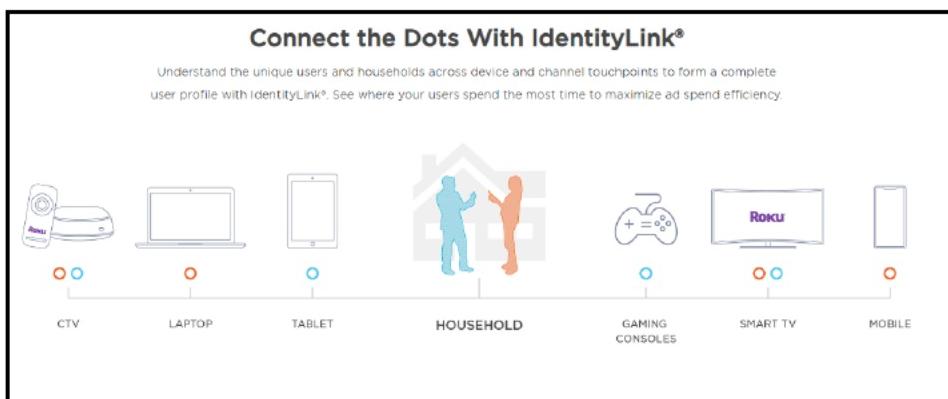
27 ⁵⁷ Second Am. Compl. ¶ 17, *FTC v. Kochava Inc.*, No. 22-cv-377 (D. Idaho July 15, 2024).

28 ⁵⁸ *Id.* ¶¶ 25-26.

29 ⁵⁹ *Id.* ¶ 86.

connect household members' (including children's) movements throughout the day to ads they see on their Roku platform.

3 87. Kochava is popular because it provides advertisers with the ability to pinpoint “who
4 saw their ads and took actions as a result of them,” and it distinguishes itself from its competitors by
5 using location data to refine this information.⁶⁰ Kochava may be popular on Roku in particular
6 because it solves a potential problem with advertising data supplied by Roku: Since Roku does not
7 offer separate user profiles, Roku advertisers may have difficulty knowing when a Roku viewer
8 other than the named Roku account holder makes a purchase in a brick-and-mortar store after seeing
9 an ad on Roku, knowing *which* household member makes the purchase, or knowing when a
10 particular household member makes a purchase on his or her personal smartphone, laptop, or tablet
11 after seeing an ad on Roku. Kochava helps solve these ad attribution problems by tracking the
12 personal devices of the individual household members who watch content on a given Roku account,
13 linking those personal devices to the Roku activity on those devices or the household’s Roku
14 hardware, and allowing advertisers to track those individual household members as they make
15 purchases in brick-and-mortar stores or on their personal devices. Kochava readily matches
16 persistent identifiers for each family member, and the personal information associated with those
17 identifiers, with the persistent identifiers associated with a given Roku account or device. The
18 image below is from Kochava’s website, which promotes its IdentityLink solution for tracking
19 individuals across devices as working with Roku in particular.



⁶⁰ Catherine Perloff, "Why Kochava? FTC Salvo Against Data Broker Puts Mobile Ad Tech on the Defensive," Adweek (available at <https://archive.is/v07Ef>).

1 88. Using Kochava’s data, a Roku advertiser can better determine when a user who saw
 2 a given ad made a purchase as a result of seeing that ad. For example, imagine that the digital
 3 marketing team at a videogame company purchases ad inventory on Roku to run an ad for the
 4 company’s new videogame. Even if the Roku account is registered in a parent’s name, if an 11-
 5 year-old in the household goes to a store with their phone in their pocket and pays cash for the
 6 game, Kochava can determine if that 11-year-old resides in a house with a Roku account that
 7 displayed that ad—and potentially whether *that child’s device* watched the ad in question.

8 89. The “Kochava Roku SDK” is embedded in many of the largest third-party channels
 9 on Roku and, as discussed above, is the most popular attribution provider among Roku’s largest
 10 third-party channels. Kochava’s integration with the Roku OS and third-party Roku channels
 11 enables the company to collect, monetize, and disclose to third parties the personal information of
 12 Roku users.

13 90. Upon information and belief, that data includes personal information of children who
 14 use the Roku platform. This is apparent from Kochava’s claim to be able to identify “consumers’
 15 sensitive characteristics,” including “status as a minor.”⁶¹ It is also apparent from Kochava’s claim
 16 to have individualized information on “320 million unique people”⁶² in the U.S., or 95% of the
 17 population, a subsection that necessarily includes most children under 13 (who comprise
 18 approximately 15% of the U.S. population). In 2021, Kochava entered into a settlement with the
 19 parents of children who played gaming apps containing Kochava’s embedded SDK, on the basis of
 20 Kochava’s alleged collection of children’s personal information.⁶³ The settlement mandated that
 21 Kochava identify the thousands of child-directed apps it works with and “cease transmitting
 22 personal data associated with those apps.”⁶⁴ This settlement, however, was focused exclusively on
 23 mobile apps, and there is no indication that Kochava changed its practices with respect to Roku.

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⁶¹ Second Am. Compl. ¶ 52, *FTC v. Kochava Inc.*, No. 22-cv-377 (D. Idaho July 15, 2024).

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⁶² BusinessWide, “Kochava Announces Acquisition of DigiCenter” (May 19, 2021), <https://www.businesswire.com/news/home/20210519005084/en/Kochava-Announces-Acquisition-of-DigiCenter>.

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⁶³ *Rushing v. Kochava Inc.*, No. 21-cv-322 (Sept. 3, 2021), Dkt. 10-1.

⁶⁴ *Id.* at 5.

1 91. Upon information and belief, Kochava is integrated into child-directed third-party
 2 channels on the Roku platform. Critically, however, given its ability to identify users’ “status as a
 3 minor,” Kochava collects the personal information of children who use the Roku platform whether
 4 or not those children watch child-directed content. Kochava uses persistent identifiers to collect
 5 precise geolocation data and other personal information from Roku users it knows are children,
 6 linking information with respect to their Roku usage to those children’s mobile devices and to
 7 profiles of those children created by Kochava.

8 92. Roku knows that Kochava collects this information from children who use the Roku
 9 platform as well as from other Roku platform users. Roku advertises Kochava as a “Roku
 10 Measurement Partner” that it has “evaluated and vetted.”⁶⁵ Even the most limited vetting by Roku
 11 would reveal that Kochava collects this personal information regarding Roku platform users. Roku
 12 benefits from Kochava’s data collection because Kochava increases the value of advertising on the
 13 Roku platform, thereby increasing Roku’s advertising revenue and making its platform more
 14 attractive to content providers and advertisers alike.

15 93. Kochava is just one of many data brokers with which Roku partners. When Roku
 16 customers request their private data files from the company, Roku provides a list of “third parties
 17 that Roku shares user data with for the purposes of advertising.” Even when a Roku account
 18 watches exclusively children’s content, this list contains over 300 distinct third parties, including 75
 19 known data brokers, multiple of which have been sued by the FTC for violations of law. In addition
 20 to Kochava, Roku partners with another data broker, InMarket, that has been the subject of an FTC
 21 enforcement action for collecting the precise geolocation information of 100 million unique devices
 22 between 2016 and 2024.⁶⁶ Four of the data brokers Roku acknowledges working with—Acxiom,
 23 comScore, Experian, Viant—are known to collect the personal information of minors.

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 25
 26 ⁶⁵ Roku, Roku Advertising, “Roku Measurement Partner Program,” <https://advertising.roku.com/advertiser-solutions/roku-partners>. Roku has revised this webpage, but as of February 2024 it read, “Roku’s measurement program partners are evaluated and vetted based on factors such as . . . their compliance with consumer privacy policies.”

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 28 ⁶⁶ FTC, “FTC Cracks Down on Mass Data Collectors: A Closer Look at Avast, X-Mode, and InMarket” (Mar. 4, 2024), https://www.ftc.gov/policy/advocacy-research/tech-at-ftc/2024/03/ftc-cracks-down-mass-data-collectors-closer-look-avast-x-mode-inmarket#_ftn3.

1 **C. Roku's Collection and Disclosure of Voice Data**

2 94. Roku released its first microphone-equipped remote in 2015. Since then, the
 3 company has invested heavily in voice functionality. The company added voice functionality to its
 4 mobile app, all Roku sticks ship with a voice-enabled remote, and all new Roku devices now
 5 support voice commands.

6 95. Roku retains voice recordings from customers' use of these features by default. In its
 7 privacy policy, it offers customers the ability to "disable Roku's retention of voice recordings
 8 captured on your remote control or mobile device."⁶⁷ Roku uses these voice recordings to improve
 9 its targeted advertising and develop its products, and also shares these voice recordings with third-
 10 party channels. Roku's privacy policy explains that it uses customers' "[a]udio" information⁶⁸ to,
 11 among other things, "improve and enhance the Roku Services (including building correlations for
 12 use in Roku's advertising services in order to better serve our advertisers), and to develop new
 13 products, services, features and functionality."⁶⁹ Elsewhere in its privacy policy, Roku
 14 acknowledges that it collects "audio information when [users] use voice-enabled features." Roku
 15 goes on to acknowledge that it shares its customers' audio data with "[channel] and content
 16 providers," "Voice assistant providers," and "Service providers and vendors."⁷⁰

17 96. Roku also collects users' sensitive personal information via voice commands.
 18 According to Roku, its users "can use their Roku voice remote or mobile app to audibly enter their
 19 credentials" in order to purchase or use a third-party streaming app, including their "email,
 20 password, street address, PIN, and method of payment."⁷¹

21 97. Roku has admitted that it discloses the voice recordings it retains to third parties for
 22 processing purposes. Roku Director of Product Management Lloyd Klarke said in 2015 that Roku
 23

25 ⁶⁷ Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

26 ⁶⁸ Until Roku revised its Privacy Policy on December 12, 2024, this section more specifically described collecting
 27 "Audio and visual Information, including consumers' photos, videos, and audio recordings," but the section of the
 28 privacy policy has now been shortened to disclose the broad collection of "Audio" and "similar information." *Id.*

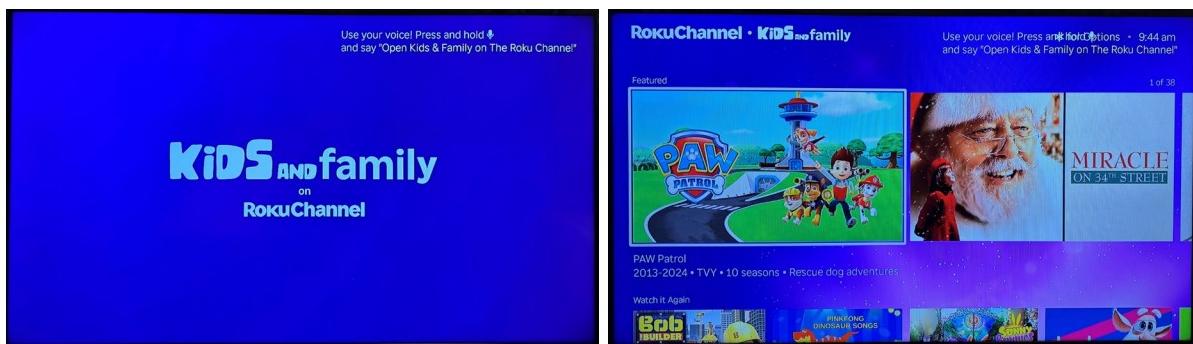
⁶⁹ Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

⁷⁰ *Id.*

⁷¹ Roku, Roku Developers, "Roku Voice overview," <https://developer.roku.com/en-gb/docs/features/voice/overview.md>.

1 used an undisclosed third-party partner to help it process customers' voice commands.⁷² As of the
 2 date of this complaint, Roku continues to disclose users' voice data to a third-party data processor.

3 98. Roku frequently collects, retains, and discloses voice recordings of children under 13
 4 when they use its voice features outside Kids and Family on The Roku Channel or third-party
 5 content identified to Roku as directed to children. And even when children are viewing content that
 6 Roku treats as directed to children, Roku continues to disclose children's voice recordings to one or
 7 more third-parties for processing. Roku also uses Kids and Family on The Roku Channel to
 8 encourage and teach child users to use its voice features, with instructions upon opening Kids and
 9 Family on The Roku Channel to "Use your voice!"



10 99. In 2017, the FTC issued an Enforcement Policy Statement regarding the collection
 11 and retention of voice recordings under COPPA. This policy statement acknowledged that the
 12 collection of voice recordings by the operator of an online service directed to children constitutes a
 13 "collection" of personal information that violates COPPA. 82 Fed. Reg. 58076. But the FTC said it
 14 "would not take an enforcement action against the operator" for such collection when the voice file
 15 is used "solely as a replacement for written words" and only retained "for the brief time necessary
 16 for that purpose." *Id.* In other words, the FTC confirmed that it is a violation of COPPA for
 17 operators such as Roku to collect *and retain* children's voice recordings, and it put operators on
 18 notice that they could be subject to COPPA enforcement for retaining children's voice recordings.
 19 Furthermore, the FTC explained that an operator would be subject to COPPA enforcement if it did
 20 not "provide clear notice of its collection and use of the audio files and its deletion policy in its
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28 ⁷² VentureBeat, "Roku adds voice recognition and improves its search capabilities" (Apr. 6, 2015),
<https://venturebeat.com/mobile/roku-adds-voice-recognition-and-improves-its-search-capabilities/>.

1 privacy policy,” and if the operator made “any other use of the audio file in the brief period before
 2 the file is destroyed—for example, for behavioral targeting or profiling purposes, for identification
 3 purposes through voice recognition, or for posting, selling, or otherwise sharing the file with third
 4 parties.” *Id.* at 58076-77. Roku violates this Enforcement Policy Statement by collecting and
 5 retaining voice recordings from portions of its service that are directed to children, by sharing voice
 6 recordings of viewers of Kids and Family on The Roku Channel (and third-party channels identified
 7 as child-directed) with a third-party data processor, and by failing to provide clear notice in its
 8 privacy policy of its collection, use, and deletion policy with respect to children’s voice recordings.

9 100. Roku also maximizes its collection of children’s voice data—and all users’ voice
 10 data—through its Voice Remote Pro, a remote that is always listening by default, and is set to
 11 respond to the user’s command upon hearing the phrase “Hey Roku.” Upon information and belief,
 12 Roku collects users’ voice data even when users have not said “Hey Roku” or otherwise
 13 intentionally interacted with Roku’s voice-activated controls. Among the third-party domains with
 14 which Roku shares user data are domains associated with Cox Media Group. Cox Media Group is a
 15 company that offers advertisers the ability “to advertise to the exact people who need your service
 16 by creating custom campaigns that flag when consumers discuss keywords relevant to your
 17 business.”⁷³ Cox Media Group also reportedly uses “microphones embedded in . . . smart TVs” to
 18 monitor users’ interests and target them with advertising.⁷⁴ One internet user who requested their
 19 personal data file from Roku as far back as 2022 reported that the file containing their purported
 20 “interests” included a category to designate users as having “[d]iscussed an Ad with a Friend or
 21 Relative” alongside other ad-targeting categories such as whether the user used a tablet to make
 22 purchases and whether the user was a vegan.⁷⁵ This user’s data request also suggests that Roku
 23 provides advertisers with information enabling them to target ads based on the age of viewers, as it

25 26 27 28 73 Cox Media Group, “How Voice Data Works and How You Can Use It in Your Business” (Nov. 28, 2023),
<https://www.documentcloud.org/documents/24224884-how-voice-data-works-and-how-you-can-use-it-in-your-business-cmg-local-solutions?ref=404media.co>.

74 Karl Bode, “Cox Media Group Brags It Spies On Users With Device Microphones To Sell Targeted Ads, But It’s Not Clear They Actually Can” (Aug. 29, 2024), <https://www.techdirt.com/2024/08/29/cox-caught-again-bragging-it-spies-on-users-with-embedded-device-microphones-to-sell-ads/>. The article explained that Cox was “pretty clear” that it uses “AI to collect this [voice] data from 470+ sources to improve campaign deployment, targeting and performance.” *Id.*

75 Purism, “Data collected on me by ROKU” (Feb. 2022), <https://forums.puri.sm/t/data-collected-on-me-by-roku/16337>.

1 includes the categories “Children’s Interests,” “Unknown Gender 03-05,” “Unknown Gender 06-
 2 10,” and “Unknown Gender 11-15.”⁷⁶

3 **VI. Roku’s Misrepresentations Regarding its Data Collection Practices**

4 101. Roku nowhere provides parents notice of its collection of children’s personal
 5 information. Nor does Roku ever obtain parental consent to collect and process children’s personal
 6 information. On the contrary, Roku misrepresents its practices with respect to its collection of
 7 children’s data. In so doing, Roku misleads parents into believing their children’s personal
 8 information is secure even as that personal information is collected and disclosed to third parties.
 9 More broadly, Roku misrepresents its data collection practices with respect to all users, including
 10 by providing users with deceptive privacy tools that provide much less privacy than they suggest.

11 **A. Roku’s Misrepresentations Regarding Its Collection of Children’s Personal 12 Information**

13 102. First, as discussed above, Roku misrepresents its data-collection practices on Kids
 14 and Family on The Roku Channel. Despite saying it would collect only “non-user level data” from
 15 viewers of Kids and Family on The Roku Channel, Roku collects user-level, personal information,
 16 including information collected through persistent identifiers.⁷⁷

17 103. Roku’s privacy policy also falsely and misleadingly denies knowledge that the
 18 company collects, processes, or sells the personal information of children. The company claims,
 19 “Roku does not have actual knowledge that it sells Personal Information or shares for cross-context
 20 behavioral advertising the Personal Information of consumers under 16 years of age.”⁷⁸ The
 21 company further claims, “Roku does not have actual knowledge that it processes the Personal
 22 Information of consumers under 13 years of age.”⁷⁹ Yet these statements cannot be accurate. Roku
 23 markets the immense variety of children’s content available on its platform and then collects,
 24 processes, and discloses children’s personal information when they view that content on the Roku

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 26
 27 ⁷⁶ *Id.*
 28 ⁷⁷ Sarah Perez, “Roku launches a Kids & Family section on The Roku Channel, plus parental controls” (Aug. 19, 2019),
<https://techcrunch.com/2019/08/19/roku-launches-a-kids-family-section-on-the-roku-channel-plus-parental-controls/>.

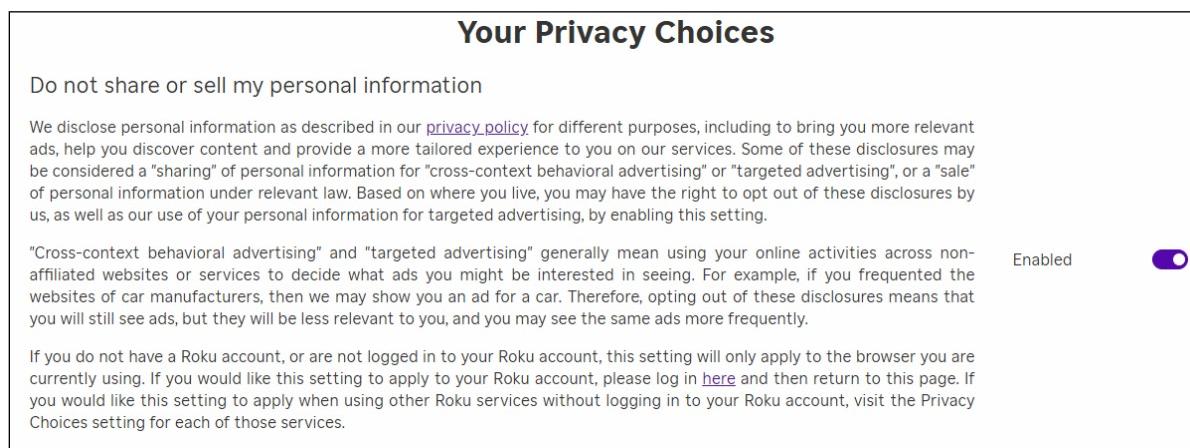
⁷⁸ Roku, User Privacy Policy, <https://docs.roku.com/published/userprivacypolicy>.

⁷⁹ *Id.*

1 platform. As outlined in this complaint, Roku regularly collects, processes, and discloses to third
 2 parties personal information from child-directed sections of its platform and child-directed content.

3 **B. Roku's Misrepresentations Regarding Its Collection of All Users' Personal
 4 Information**

5 104. Roku offers its users the ability to enable a feature called, "Do not share or sell my
 6 personal information." Users in Michigan have the option to toggle this setting to "Enabled" and
 7 purportedly prevent Roku from sharing their personal information. The relevant screen, entitled
 8 "Your Privacy Choices," is pictured below.



105. Roku continues to share the personal information of Michigan users—and indeed all
 10 Roku users—who enable this setting. Among other things, Roku continues to share the personal
 11 information of users who enable this setting for purposes of ad attribution. As discussed earlier in
 12 this complaint, ad attribution is a frequently invasive form of personal information sharing that
 13 tracks users across the internet, and even in the physical world as they move about their day, to
 14 determine whether users shown a particular advertisement ultimately make a purchase (or otherwise
 15 "convert" by, for example, visiting the advertised webpage) after seeing that ad. In addition to
 16 sharing users' personal information for ad attribution, Roku continues to allow third-party channels
 17 to access and disclose the personal information of Roku users when users have this setting enabled,
 18 including for purposes of targeted advertising.

19 106. Users who enable "Do not share or sell my personal information" on Roku are thus
 20 opting into a far narrower set of protections than the setting makes it appear. Even if users read the
 21

1 fine print beneath the setting, it only obfuscates the effect of enabling this purported privacy setting.
 2 For instance, Roku writes that it “disclose[s] personal information as described in our privacy policy
 3 for different purposes, including to bring you more relevant ads,” and then explains in the next
 4 sentence that users “may have the right to opt out of these disclosures by us.” Roku nowhere
 5 explains that opting out of these disclosures *is limited to* disclosures that support targeted
 6 advertising. The most natural reading of the fine print below this setting is that it opts Roku users
 7 out of *all* personal information sharing by Roku and on the Roku platform that is described in
 8 Roku’s privacy policy—the breadth of which is outlined in this complaint. At the very least, that is
 9 the most natural understanding of “Do not share or sell my personal information,” and Roku’s fine
 10 print fails to correct this understanding with a narrower meaning. And although the fine print states
 11 that a user may have the right to opt out of Roku’s “use of your personal information for targeted
 12 advertising,” Roku nowhere explains that it will continue to allow third-party channels to use the
 13 personal information of users who have enabled this setting for purposes of targeted advertising.
 14 Roku also nowhere discloses to users in the fine print below this setting that it will continue to share
 15 users’ personal information for ad attribution purposes even after they enable the setting.

16 107. The “Do not share or sell my personal information” setting is not Roku’s first or only
 17 misleading privacy setting. Roku also historically misled customers by offering them an option to
 18 limit ad tracking. Roku previously provided users with the option to choose to “Limit Ad Tracking”
 19 in their Roku settings. In 2019, technology researchers from Princeton University and The
 20 University of Chicago studied the effect of selecting “Limit Ad Tracking” on Roku. These
 21 researchers activated “Limit Ad Tracking” and then reviewed the effect of this selection on a set of
 22 100 Roku channels, including the top 10 channels from Roku’s “Kids & Family” section.
 23 According to these researchers, activating this setting “did not affect the number of trackers
 24 contacted” by the channels they studied, did not affect the number of Roku device serial numbers
 25 leaked to third parties, and actually *increased* the number of outside domains contacted by these
 26 channels.⁸⁰ In short, Roku systematically misrepresented that parents and children watching Roku

27
 28 ⁸⁰ Moghaddam *et al.*, “Watching You Watch: The Tracking Ecosystem of Over-the-Top TV Streaming Devices,” 2019
 ACM SIGSAC Conference on Computer and Communications Security (2019).

could limit the collection and disclosure of their personal information on the Roku platform by selecting “Limit Ad Tracking,” when in reality this selection had no significant effect on the collection and disclosure of adults’ or children’s personal information.

VII. Interest of the Attorney General and The People of the State of Michigan

108. Roku's market share and uniquely invasive data collection and disclosure practices make it one of the most widespread and serious threats to the privacy of Michigan residents—and Michigan children in particular. Attorney General Dana Nessel brings this action on behalf of The People of the State of Michigan to enforce the privacy rights and consumer protections guaranteed to Michigan residents under state and federal law.

CAUSE OF ACTION 1: Violation of Children's Online Privacy Protection Act
– Collection of Children's Personal Information by Operator of Online Service

109. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth
herein.

110. Roku is an “operator” under COPPA because it is an “online service” that “collects or maintains personal information from or about the users of . . . [the] online service.” 16 C.F.R. § 312.2.

111. Roku is also an “operator” under COPPA with respect to third-party channels because those channels collect personal information on Roku’s behalf, as Roku “benefits by allowing [those third-party channels] to collect personal information directly from users.” *Id.*

112. Roku is also an “operator” under COPPA with respect to third-party channels because Roku collects personal information on those channels’ behalf, and those channels “benefit[] by allowing [Roku] to collect personal information directly from users.” *Id.*

113. Roku's robust catalog of child-directed content, and the distribution of this child-directed content across Roku platform pages, renders Roku an online service "directed to children" under COPPA. *Id.* The Roku Channel and particular Roku platform pages, including Roku's Home page, Search page, Featured Free page, and What to Watch page are also "directed to children." *Id.*

1 114. Roku's "Kids and Family on The Roku Channel" section, the "Kids & Family" and
 2 "Games" sections of Roku's Channel Store, Roku Zones, and other child-directed content sections
 3 such as "Animated Adventures" and "Popular Free Kids Movies and TV Shows," as well as the
 4 channels and content in each these sections, are "directed to children." *Id.*

5 115. Roku generally, and the above sections and the channels and content within them,
 6 are directed to children because they include, among other things, "animated characters," "child-
 7 oriented activities," "child celebrities," "celebrities who appeal to children," and "advertising . . .
 8 directed to children." *Id.* Reliable empirical evidence regarding Roku's audience composition,
 9 including reliable empirical evidence in Roku's possession, will show that Roku, and the above
 10 sections and the channels and content in those sections, are online services directed to children.
 11 Statements by Roku also show that it is generally an online service directed to children, as are the
 12 above sections in particular, as well as the channels and content within them. As detailed earlier in
 13 this complaint, Roku employees and executives frequently discuss and promote Roku as a service
 14 made for children, including children who watch programming without a parent present, and Roku
 15 marketing uses images depicting children watching programming without a parent present.

16 116. Roku collects the "personal information" of children under age 13 who use the Roku
 17 platform generally, The Roku Channel, the Roku Home page, Search page, Featured Free page, and
 18 What to Watch page, the "Kids and Family on The Roku Channel" section, the "Kids & Family"
 19 and "Games" sections of the Roku Channel Store, and other child-directed content sections of the
 20 Roku platform such as Roku Zones, "Animated Adventures," and "Popular Free Kids Movies and
 21 TV Shows," as well as the channels and content in those sections.

22 117. Roku has "actual knowledge that it is collecting personal information directly from
 23 users of another Web site or online service directed to children," because it knows that the "Kids &
 24 Family" and "Games" sections of its Channel Store, "Kids and Family on The Roku Channel," and
 25 other child-directed sections of the Roku platform such as "Animated Adventures" and "Popular
 26 Free Kids Movies and TV Shows" are directed to children, as are the channels and content within
 27 those sections, including the channels described in this complaint.

28

1 118. Third-party channels in the “Kids & Family” and “Games” sections of Roku’s
 2 Channel Store, and third-party channels in other child-directed sections of the Roku platform such
 3 as “Animated Adventures” and “Popular Free Kids Movies and TV Shows,” collect the “personal
 4 information” of children on Roku’s behalf.

5 119. This collection of children’s personal information by Roku and third-party channels
 6 includes “[p]assive tracking of a child online,” “[e]nabling a child to make personal information
 7 publicly available in identifiable form,” and “[r]equesting, prompting, or encouraging a child to
 8 submit personal information online.” 16 C.F.R. § 312.2. This “personal information” includes
 9 persistent identifiers such as cookies, IP addresses, device serial numbers, and unique device
 10 identifiers; geolocation information sufficient to identify children’s “street name and name of a city
 11 or town”; files containing a child’s voice; and “[i]nformation concerning the child or the parents of
 12 that child that the operator collects online from the child and combines with an identifier.” *Id.*

13 120. This collection of children’s personal information includes the collection, retention,
 14 and disclosure to third parties of voice recordings. Roku does not provide clear notice of this
 15 collection and use of voice data, or of its deletion policy, in its privacy policy.

16 121. This collection of children’s personal information also includes collection of
 17 children’s “personal information” by third-party analytics companies and data brokers, including
 18 Kochava, Google, New Relic, Meta, LinkedIn, Nextdoor, and Innovid, which collect the “personal
 19 information” of children on Roku’s behalf because they are agents or service providers for Roku
 20 and because Roku benefits by allowing them to collect the personal information.

21 122. The personal information Roku misappropriates from children who use its platform
 22 has value to those children and their parents. There is a market for this type of personal information.

23 123. Roku does not “[p]rovide notice” of “what information it collects from children, how
 24 it uses such information, and its disclosure practices for such information.” 16 C.F.R. § 312.3.

25 124. Roku does not “[o]btain verifiable parental consent prior to any collection, use,
 26 and/or disclosure of personal information from children.” *Id.*

27 125. Roku does not “[p]rovide a reasonable means for a parent to review the personal
 28 information collected from a child and to refuse to permit its further use or maintenance.” *Id.*

126. Roku has not established and does not maintain “reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.” *Id.*

CAUSE OF ACTION 2: Violation of Children's Online Privacy Protection Act
- Collection of Children's Personal Information by Operator of Online Service
with Actual Knowledge It is Collecting the Personal Information of Children
(15 U.S.C. § 6502)

127. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth herein.

128. Roku also has “actual knowledge that it is collecting or maintaining personal information from a child,” 16 C.F.R. § 312.2, because it knows that the third-party channels in its Roku Channel Store “Kids & Family,” “Animated Adventures,” “Popular Free Kids Movies and TV Shows,” and “Games” sections, including the channels and content described in this complaint, are child-directed.

129. Roku also has “actual knowledge that it is collecting or maintaining personal information from a child” when it collects, retains, and discloses to third parties voice recordings from users who are identifiably children under the age of 13. 16 C.F.R. § 312.2.

130. The third-party channels and content in the Roku Channel Store “Kids & Family” and “Games” sections, as well as other sections of the Roku platform such as “Animated Adventures” and “Popular Free Kids Movies and TV Shows,” are “directed to children” under COPPA. *Id.* The channels and content in these sections, and the sections themselves, include, among other things, “animated characters,” “child-oriented activities,” “child celebrities,” “celebrities who appeal to children,” and “advertising . . . directed to children.” 16 C.F.R. § 312.2.

131. Roku collects personal information from children under age 13 who use these child-directed online services. This collection of children's personal information includes “[p]assive tracking of a child online,” “[e]nabling a child to make personal information publicly available,” and “[r]equesting, prompting, or encouraging a child to submit personal information online.” *Id.* This “personal information” includes persistent identifiers such as cookies, IP addresses, device serial numbers, and unique device identifiers; geolocation information sufficient to identify

1 children's "street name and name of a city or town"; files containing a child's voice; and
2 "[i]nformation concerning the child or the parents of that child that the operator collects online from
3 the child and combines with an identifier." *Id.*

4 132. Roku collects, retains, and discloses to third parties voice recordings from children
5 who are identifiably under the age of 13. Roku does not provide clear notice of this collection and
6 use of voice data, or of its deletion policy, in its privacy policy.

7 133. The personal information Roku misappropriates from children who use its platform
8 has value to those children and their parents. There is a market for this type of personal information.

9 134. Roku does not "[p]rovide notice" of "what information it collects from children, how
10 it uses such information, and its disclosure practices for such information." *Id.* § 312.3.

11 135. Roku does not "[o]btain verifiable parental consent prior to any collection, use,
12 and/or disclosure of personal information from children." *Id.*

13 136. Roku does not "[p]rovide a reasonable means for a parent to review the personal
14 information collected from a child and to refuse to permit its further use or maintenance." *Id.*

15 137. Roku has not established and does not maintain "reasonable procedures to protect the
16 confidentiality, security, and integrity of personal information collected from children." *Id.*

17

18 **CAUSE OF ACTION 3: Video Privacy Protection Act**
19 **(18 U.S.C. § 2710)**

20 138. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth
21 herein.

22 139. Roku is a "video tape service provider." 18 U.S.C. § 2710(a)(4).

23 140. Michigan residents who use Roku are Roku "consumer[s]." *Id.* § 2710(a)(1). In the
24 alternative, any person in Michigan who purchased Roku hardware and created an account with
25 Roku in order to access programming on Roku is a Roku "consumer." *Id.* In the alternative, any
26 Roku accountholder in Michigan, or any Roku user in Michigan who purchases or subscribes to
27 video content on or through Roku, is a Roku "consumer." *Id.*

28

1 141. As alleged above, Roku knowingly discloses personally identifiable information that
2 identifies Roku customers as having requested or obtained specific video materials or services from
3 Roku. This disclosure is made to a number of entities, including Google, New Relic, Meta,
4 LinkedIn, Nextdoor, and Innovid.

5 142. By disclosing their protected information to third parties, Roku violated Michigan
6 residents' statutorily protected rights to privacy in the videos they requested or obtained from Roku.

7 143. The Video Privacy Protection Act provides for liquidated damages in the amount of
8 \$2,500 per violation of the statute, among other relief. Plaintiff seeks to recover these liquidated
9 damages, and any other appropriate relief, on behalf of Michigan residents.

10

11

CAUSE OF ACTION 4: Preservation of Personal Privacy Act
(M.C.L. § 445.1711)

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144. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth
herein.

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18

Michigan's Preservation of Personal Privacy Act, also called the Video Rental
Privacy Act, prohibits businesses that sell, rent, or lend video recordings from knowingly disclosing
"a record or information that personally identifies the customer as having purchased, leased, rented,
or borrowed" the video recordings. M.C.L. § 445.1712.

19

20

21

Any Roku accountholder in Michigan is a Roku "customer." M.C.L. § 445.1711(a).
In the alternative, any Roku user in Michigan who has purchased or subscribed to video content on
or through Roku, or who has purchased Roku hardware, is a Roku "customer." *Id.*

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Roku is engaged in the business of selling, renting, and lending video recordings to
Michigan consumers in a few distinct ways. First, Roku sells, rents, and/or lends video recordings to
Michigan consumers through the sale of its Roku hardware. In exchange for the purchase of Roku
hardware, Roku customers gain access to third-party programming as well as programming on The
Roku Channel. Roku also sells ad-free and limited-ad premium streaming service content and
subscriptions through The Roku Channel. Upon information and belief, Roku has sold Premium
Subscriptions within The Roku Channel to Michigan consumers. Roku also is engaged in the

1 business of selling, renting, and lending video recordings through the Roku Movie and TV Store, as
2 well as through the Vudu channel and Fandango at Home. In each case, Roku handles the delivery
3 of and payment for movies and television shows purchased and rented by its customers. Upon
4 information and belief, Michigan residents have purchased and rented video recordings from the
5 Roku Movie and TV Store, the Vudu channel, and Fandango at Home.

6 148. Roku has disclosed information that personally identifies Michigan customers as
7 having purchased, leased, rented, or borrowed particular video recordings on the Roku platform.
8 Roku knowingly discloses personally identifiable information that identifies Roku customers as
9 having requested or obtained specific video materials or services from Roku. This disclosure is
10 made to a number of entities, including Google, New Relic, Meta, LinkedIn, Nextdoor, and Innovid.

11 149. Plaintiff seeks appropriate relief as set forth in § 5 of the Video Rental Privacy Act,
12 including damages and reasonable costs and attorney's fees. M.C.L. § 445.1715. Plaintiff seeks to
13 recover damages, and any other appropriate relief, on behalf of Michigan residents.

14

15 **CAUSE OF ACTION 5: Michigan Consumer Protection Act**
16 **(M.C.L. § 445.901 et seq.)**

17 150. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth
18 herein.

19 151. The conduct and practices by Roku alleged above constitute “[u]nfair,
20 unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce” under
21 § 3 of the Michigan Consumer Protection Act, M.C.L. § 445.903(1).

22 152. Roku's failures to provide notice and obtain parental consent as required under
23 COPPA constitute “[u]nfair, unconscionable, or deceptive methods, acts, or practices in the conduct
24 of trade or commerce,” including because Roku creates a “probability of confusion or of
25 misunderstanding as to the legal rights” of parents and as to the “obligations” of Roku, M.C.L.
26 § 445.903(1)(n), and because Roku enters into “consumer transaction[s] in which the consumer
27 waives or purports to waive a right, benefit, or immunity provided by law” without the waiver being
28 “clearly stated” or the consumer having “specifically consented to it,” *id.* § 445.903(1)(t).

1 153. Roku’s disclosures of customers’ personal information in violation of the federal
2 Video Privacy Protection Act and the Michigan Video Rental Privacy Act constitute “[u]nfair,
3 unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce,”
4 including because Roku creates a “probability of confusion or of misunderstanding as to the legal
5 rights” of consumers and as to the “obligations” of Roku, *id.* § 445.903(1)(n), and because Roku
6 enters into “consumer transaction[s] in which the consumer waives or purports to waive a right,
7 benefit, or immunity provided by law” without the waiver being “clearly stated” or the consumer
8 having “specifically consented to it,” *id.* § 445.903(1)(t).

9 154. By stating that it does not have actual knowledge that it processes children's personal
10 information, by representing that it does not collect user-level data from Kids and Family on The
11 Roku Channel, by continuing to share and sell personal information of consumers who enable the
12 "Do not share or sell my personal information" setting, and by not materially limiting ad tracking
13 for users who have selected "Limit Ad Tracking," Roku engages in "[u]nfair, unconscionable, or
14 deceptive methods, acts, or practices in the conduct of trade or commerce," including because it is
15 "[r]epresenting that goods or services have . . . characteristics . . . that they do not have," *id.*
16 § 445.903(1)(c), "[f]ail[s] to reveal facts that are material to the transaction in light of
17 representations of fact made in a positive manner," *id.* § 445.903(1)(cc), and "[f]ail[s] to reveal a
18 material fact, the omission of which tends to mislead or deceive the consumer, and which fact could
19 not reasonably be known by the consumer," *id.* § 445.903(1)(s).

155. Each of Roku's violations of the Michigan Consumer Protection Act constitutes a
persistent and knowing violation with respect to each Michigan consumer affected.

22 156. Plaintiff seeks the appropriate relief set forth in § 5(1) of the Michigan Consumer
23 Protection Act, *id.* § 445.905(1), which provides for injunctive relief as well as penalties up to
24 \$25,000 for each persistent and knowing violation of the Act.

CAUSE OF ACTION 6: Intrusion Upon Seclusion

27 157. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth
28 herein.

1 158. The personal information collected and disclosed by Roku from Michigan residents
2 under 13 years old, and Michigan residents of all ages, is private and secret information.

3 159. Michigan residents under 13 years old, and Michigan residents of all ages, have a
4 right to keep the personal information collected and disclosed by Roku private.

5 160. Roku's collection, retention, and disclosure of the personal information of Michigan
6 residents under 13 years old, and Michigan residents of all ages, is objectionable to a reasonable
7 person, as it is done in violation of COPPA, the Michigan Consumer Protection Act, and in a
8 manner that a reasonable person would deem objectionable.

9 161. Roku intrudes upon the seclusion of Michigan residents under 13 years old when it
10 collects, retains, and discloses their personal information.

11 162. Roku also intrudes upon the seclusion of Michigan residents of all ages when it
12 collects, retains, and discloses their personal information.

13 163. Information regarding Roku users' physical location throughout the day is private
14 and secret information.

15 164. Michigan residents have a right to keep information regarding their physical location
16 throughout the day private.

17 165. The collection, retention, and disclosure of physical location information of child and
18 adult Roku users, as well as other personal information, by Kochava, InMarket, and other data
19 brokers and advertising attribution providers is objectionable to a reasonable person as it is done in
20 violation of the Michigan Consumer Protection Act, COPPA, and in a manner that a reasonable
21 person would deem objectionable

22 166. Roku knows that Kochava, InMarket, and other data brokers and advertising
23 attribution providers collect, retain, and disclose the physical location information of users, and that
24 they do so in violation of the Michigan Consumer Protection Act, COPPA, and in a manner that a
25 reasonable person would deem objectionable.

26 167. Roku provides substantial assistance and encouragement to Kochava, InMarket, and
27 other data brokers and advertising attribution providers that collect, retain, and disclose the physical

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1 location of users, by facilitating and promoting the use of these services, including through its
2 Measurement Partner Program.

3 168. Roku's facilitation and promotion of the collection, retention, and disclosure of
4 physical location information, as well as other personal information, of its child and adult users
5 through Kochava, InMarket, and other data brokers and advertising attribution providers is
6 objectionable to a reasonable person as it is done in violation of the Michigan Consumer Protection
7 Act, COPPA, and in a manner that a reasonable person would deem objectionable.

8 169. Roku intrudes upon the seclusion of Michigan residents, and aids and abets intrusion
9 upon the seclusion of Michigan residents, when it facilitates, promotes, and aids and abets the
10 collection, retention, and disclosure of its child and adult users' physical location and other personal
11 information by Kochava, InMarket, and other data brokers and advertising attribution providers.

12 170. The information regarding the video content Roku users search for and/or watch on
13 Roku that is disclosed to third parties by Roku is private and secret information.

14 171. Michigan residents have a right to keep the information regarding the video content
15 they search for and watch on Roku private.

16 172. Roku's disclosure to third parties of information identifying its users as having
17 searched for and/or watched video content is objectionable to a reasonable person, as it is done in
18 violation of the Video Privacy Protection Act, the Video Rental Privacy Act, and in a manner that a
19 reasonable person would deem objectionable.

20 173. Roku intrudes upon the seclusion of Michigan residents when it discloses
21 information identifying these residents as having searched for and/or watched particular video
22 content on Roku.

23

CAUSE OF ACTION 7: Unjust Enrichment

24 174. Plaintiff incorporates the foregoing allegations in this complaint as if fully set forth
25 herein.

26 175. Michigan residents under 13 years old who used Roku conferred a benefit on Roku
27 by providing Roku with personal information. Roku collected and monetized that personal

1 information, and also used that personal information to improve its own services. Roku has retained
2 this benefit, including in the form of revenue and profits earned from its advertising business, its
3 sale of users' personal information, and in the improvement of its technology.

4 176. Roku's collection of Michigan children's personal information was done in violation
5 of these children's rights under COPPA, the Michigan Consumer Protection Act, as well as their
6 common law privacy rights. Roku has been unjustly enriched by its collection of Michigan
7 children's personal information.

8 177. Michigan residents who have instructed Roku not to "share or sell [their] personal
9 information" or who have selected "Limit Ad Tracking" in the Roku settings have conferred a
10 benefit on Roku by providing the company with their personal information. Roku has retained that
11 benefit. As outlined above, Roku shared and sold these residents' personal information, and did not
12 limit ad tracking with respect to these residents. In so doing, Roku violated the Michigan Consumer
13 Protection Act, M.C.L. § 445.903(1)(c), (s), (cc).

14 178. Roku has thus been unjustly enriched by its collection, sale, and sharing of the
15 personal information of Michigan residents who instructed Roku to limit ad tracking and to not
16 share or sell their personal information.

17 179. The principles of justice and equity require the disgorgement of the profits Roku has
18 retained as a result of its inequitable conduct.

19 **PRAYER FOR RELIEF**

20 Plaintiff prays for judgment against Defendant as follows:

21 180. Awarding Plaintiff injunctive relief by enjoining Roku, its officers, agents, servants,
22 and employees, and all those acting in concert with the aforementioned parties, from engaging in
23 the conduct alleged herein.

24 181. Awarding Plaintiff damages on behalf of Michigan consumers.

25 182. Awarding Plaintiff all equitable relief that the Court may deem just and proper,
26 including restitution in the form of disgorgement of profits.

27 183. Awarding Plaintiff civil penalties.

28 184. Awarding Plaintiff reasonable attorneys' fees and costs.

185. Granting such other and further relief as the Court may deem just and proper.

DEMAND FOR A JURY TRIAL

3 186. In accordance with Federal Rule of Civil Procedure 38, Plaintiff hereby demands a
4 trial by jury on all issues so triable.

5 | Dated: April 29, 2025

Respectfully submitted,

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